Beauharnois Reorganization Plan

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS DEPARTMENT ON PAGE 16

Vol. XXVII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, FEBRUARY 25, 1933 | 10c a Copy; $5.00 a Year | No. 8

The Nation's Business

What We Can Do To Speed End of Depression

First Must Balance Federal Budget

Rout Socialists from Government

Canada's Contribution To Economic Peace

BUDGET day approaches and there are few optimistic enough to expect a near approach to a balanced federal budget. A balanced budget for Canada will not come out of a single budget speech. Something far-reaching is necessary. R. L. Calder, K.C., of Montreal, in an address in Toronto this week, expressed the opinion that the end of rising taxes will come when governments give up the numerous functions that they have improperly assumed and get back to the only proper functions of government, protecting the citizen in "life, liberty and the pursuit" — not the free gift — "of happiness."

The Dominion budget cannot be balanced unless the problems of losses on governmental business ventures and of the cost of governmental paternalism are solved. Never was there greater need in Canada for a courageous retracing of steps by government.

* * *

NEW TAXES cannot balance the budget. There is little left to tax. In 1932 the national income from production in Canada was $1,970,000,000, just half of the national income in 1929 when it was $3,950,000,000. In the meantime rates of taxation have increased not only in federal government but in provincial and most municipal governments. True governments are spending less than in 1932; a certain measure of economy has been forced upon them by the sheer decline in revenues and the lessening productivity of taxes.

Government expenditures in 1929 were approximately $900,000,000 or about 23 per cent of income from production. Expenditures in 1932 were at least $850,000,000 on items properly chargeable to current account, or 43 per cent of national income from production.

We have almost doubled the real weight of taxation during the period of depression. To have maintained the relative burden of taxation at the 1929 level it would have been necessary to have cut $400,000,000 off federal, provincial and municipal expenditures.

A saving of this amount or even of half that amount cannot be effected by ordinary measures of economy but only by the wholesale closing up of bureaus, departments, schemes and enterprises that have no proper place within the realm of government.

The high taxation is the product of Socialist principles and practices and can only be reduced by the elimination of the factor that created the problem—Socialism in government.

That is the key problem of the whole tax situation.

* * *

SO FAR as the federal government is concerned there are many good citizens who believe that it is impossible for any party government to take steps sufficiently drastic to achieve the measure of expense cutting necessary in federal affairs. In some other countries the advance of Socialism is being countered and the threat of financial collapse is being staved off by dictatorship such as in Spain, Italy and possibly soon in Germany. More democratic means have been sought in other countries such as Great Britain, Australia with non-party co-operative effort of federal and state governments, and in the United States, where it is proposed to give incoming-President Roosevelt greater powers than have ever been granted to any American president except in times of war.

The trend is obvious. Thinking people consider the economic crisis to be as great an emergency as any war ever was and they strive to find in war-time precedents the political means of meeting the emergency.

* * *

IN CANADA national government may come but the sharpness of our political feelings makes a synthetic national government not entirely practical. The Socialist groups are already arming themselves to fight national government. They do not want the now split armies of the "reactionaries" to present a united front. Moreover the "ins" are not willing to admit that they cannot meet the situation; the "outs" think that their policies, if adopted, would do it. But if the financial crisis is not averted, if continued governmental spending brings home to the people

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C.S.L. TO PASS GENERAL BOND INTEREST IN '33

Sharp Drop in Revenue Impairs Financial Position

LIFT SINKING FUND

Holders of Senior Issue Are Asked to Agree to Deferment of Payment

From Our Own Correspondent

MONTREAL.—Canada Steamship Lines will not meet interest charges on its general mortgage bonds April 1 next and a bondholders' protective committee is already in process of formation.

Announcement also is made this week that the company will seek modification of the trust deed as relating to sinking fund requirements on the 5 per cent consolidated first mortgage bonds.

The last two years have not been favorable to Canada Steamship Lines. Its earning power has shrunk appreciably and for the past year preliminary figures reveal gross earnings of $8,500,000. From this are to be deducted expenses, which would leave net earnings of $1,000,000 or less.

Net Income Low

Bank loans have not been reduced, rather were they higher at the end of 1932 than at the close of 1931. Over $114,000 of the debentures were redeemed, however, lightening the burden of interest charges by some $58,000. But even without allowance for depreciation, net income last year was insufficient to take care of bond and bank interest.

Set Forth Position

With the elimination of the sinking fund payments, however, the company is in a position to take care of interest charges on the senior bond issue of over $117,000. To that end the company has dispatched a letter to the holders of the consolidated first mortgage debenture stock, reading in part as follows:

"Owing to the general business depression of the last three years Canada Steamship Lines, Limited, has suffered a decline in its annual gross revenue from $17,500,000 in 1928 to $8,500,000 in 1932, or over 50 per cent, as a result of which the company was unable to provide funds for the second semi-annual sinking fund payment in 1932. During the three year period the sinking fund payments on the company's five per cent debenture stock and/or bonds have aggregated nearly $1,500,000. The company cannot continue under existing conditions to meet the annual cash outlay for sinking fund purposes.

"The debenture stock and/or bonds outstanding as of December 31, 1932, amounted to $2,351,221 and as sinking fund payments made to date of February 15, 1932, were at a rate which would, if continued, have retired the total outstanding stock and bonds by 1936, or seven years before maturity date specified in the indenture securing the said stock and bonds, and as this situation was brought about by regarding $8,400,000 debenture stock used as collateral from 1921 to 1926, and retired and cancelled in latter year, as issued absolutely for value, whereas same was merely used temporarily as collateral to a loan since paid off in full, it has been found necessary to request the holders of five per cent debenture stock and/or bonds to amend the provisions of the indenture in respect of sinking fund payments, by granting a suspension of said payments for a maximum period of five years, the whole as set out in the notice of meeting accompanying this letter. The payment of $350,000 per annum is sufficient to retire all debenture stock and/or bonds of August 15, 1943, the maturity date thereof. Should the company be in a position to commence sinking fund payments earlier than August, 1937, the annual payment of $350,000 will be sufficient to retire all of the outstanding debenture stock and/or bonds within six years from the date such payments are begun."

Sinking Fund Burden

W. H. Coverdale, president of the company, officially has stated that in the last three years sinking fund payments on the senior mortgage have aggregated nearly $1,500,000 gross, or at the rate of about $500,000 annually. At the same time the company's annual gross revenue has

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Highlights of the Week

Events and Topics That Make Articles for The Financial Post This Week

Beauharnois

Montreal Power's plan for Beauharnois reorganization is likely to be adopted by government and bondholders. It is given in full. Page 1.

Back to Gold

Economic experts of League of Nations plan agenda for World Economic Conference and suggest logical line of attack upon the world crisis. Their recommendations are summarized in a special article. Page 9.

One Big System

Single railway eventually for U. S. is plan of Coolidge Committee. The Post digests the features of this notable railway report, with particular attention to problems common to Canada as well as U. S. A. Page 4.

Leacock Dollar

Plan of McGill economist to write down gold in dollar given in his own words with views of other economists. Page 12. Effect on mines. Page 16.

Business Advice

U. S. business leaders tell Senate committee what they consider to be the essentials of prosperity. The Financial Post summarizes the chief views. See "The World at Large." Page 6.

Dollar Down

Installment selling under fire in Quebec legislature where bill to check it has been introduced. Page 10.

Milk Prices

Farmers complain of prices they receive for milk; but dairies say they are losing money. More facts on the milk situation. Page 9.

Auditors

Should company auditors be appointed by directors and managers whom they are set to watch or in some other way? A discussion for investors. Page 11.

Interest Rates

If savings deposit rates drop, will loan rates follow? Page 1 and Page 3.

LOAN INTEREST MAY DECREASE WITH SAVINGS

Banks Can't Cut Loan Rates Proportionately to Deposit Rate

It is probable that banks will make adjustments of interest rates on loans, if the rate paid on savings deposits is reduced, The Financial Post is informed.

Public feeling, it is thought, would be strongly opposed to a cut in deposit interest without some corresponding reductions in loan rates. The Canadian banks operate economically and on a relatively small profit margin, and so are reducing their costs wherever possible. But they will probably not obtain the full benefit of a reduction of interest on deposits. One banker told The Financial Post that he hardly thought it possible to institute a reduction in deposit interest without making some changes in loan interest.

Any reductions on loan rates would have to be for not more than the total sum of interest saved on deposits. To do so would impair the earning position of the banks. The bulk saving on deposit interest might be lopped off the bulk of interest received on loans. Thus, a reduction of, say, one third in the interest rate on deposits, could not reasonably be expected to bring a proportionate reduction of one third in the interest rate on loans. But on a bulk saving of, say, $5,000,000 in total interest on deposits much of this lump sum could probably be cut off total loan charges.

The bulk saving in deposit interest, if the rate is lowered to 2½ per cent, is estimated at about $5,000,000 per annum by The Financial Post. At two per cent, the bulk saving is estimated at about $10,000,000. As the reported net profits of the Canadian chartered banks for 1932 amounted to $20,964,202, these bulk savings are large. But it appears probable that a substantial proportion of the lump savings will be passed on to borrowers.

Basis of Estimates

The estimates of what a cut in savings interest would mean to the banks are based on the average monthly interest-bearing deposits in the banks during 1932. This monthly average was $1,376,325,128 in 1932. Interest is estimated to have been paid on only three quarters of this total, namely $1,032,243,846, by reason of the minimum monthly balance calculation.

The difference in interest cost on this sum at the present and pro-

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PETE KEEPS ON IN SPITE OF WAR PERU-COLOMBIA

Has Huge Tracts of Producing Oil Lands in Both Countries

International Petroleum's crude petroleum production during 1932 in Peru was well maintained at 7,635,681 barrels of crude petroleum, only 40,000 barrels less than in 1931, whereas the production in Colombia dropped from 18,237,190 barrels of crude in 1931 to 16,417,125 barrels of crude in 1932. The falling-off in production in Colombia was not important until about October 1 but since that time the decrease below 1931 monthly levels has been monthly from about 500,000 to 800,000 barrels of crude petroleum. This is purely a reaction from the drop in price of mid-continent crude, which sets the price automatically for Colombian crude.

Because of the potential over-production of crude oil particularly in the United States the company has reduced its exploration programme and its drilling of new wells to a minimum. For example, in Peru only three new wells were completed in 1932 as compared with 46 in 1931 and the average initial production of these was 49 barrels as compared with 246 barrels in 1931.

In Colombia, however, the number of wells completed amount to 32 as compared with 44 in 1931, but the average initial production was only 306 barrels in 1932 as compared with 665 in 1931.

On Both Sides

The war now being waged between Peru and Colombia has International Petroleum on both sides of the fence. As International Petroleum it owns and develops vast stretches of oil-producing territory in Peru and through its subsidiary Tropical Oil Co. it owns and develops other vast stretches in Colombia. No intimation has come to Toronto as yet that hostilities have resulted in any way unfavorably to the company. In Colombia Tropical Oil Co. employs mainly Colombians and in Peru International Petroleum employs mostly Peruvians.

Peruvian operations have kept up better than Colombian because the company has a growing market in Peru from its refinery operations at Talara and also because of the greater demand for the crude because of its superior lubricating qualities. In Peru also International Petroleum continues operations on a good scale because of existing contracts for this crude and for products from it.

International Petroleum does not publish a financial statement, its earnings and financial position being incorporated with those of Imperial Oil. With nearly 2,000,000 barrels of crude oil less sold in 1932 and the price much lower in the latter part of the year on production it is evident that revenues have been lower. Expenses naturally have been lower as well. As the company is not bothered with offset wells, which are the bane of the oil industry in the United States, it can store its crude underground at no cost to itself until prices revive. It has been able as well to keep its exploration and drilling activities at a fraction of 1929 levels, again awaiting reviving demand. Thus conserved, the crude is over the long view much more an asset for the company than if production were accelerated.

Canadian Pacific Defers Dividend Action on Stock

From Our Own Correspondent

MONTREAL.—Directors of the Canadian Pacific Railway Co. have deferred consideration of dividends on the preferred and ordinary shares of the company until the regular meeting in March next when complete accounting for 1932 will be ready for submission to the board.

The last financial statement of the Canadian Pacific Railway showed outstanding $137,256,921 of 4 per cent non-cumulative preference shares and $335,000,000 of ordinary shares. The last dividend paid on ordinary shares was in April, 1932, when it was stated that future payments would be semi-annual instead of quarterly. The dividend on the junior security came up for consideration August last when action was deferred until the full year's earnings were known.

Dividends on the preference shares have been declared and paid regularly ever since it was issued. This is the first break in an unbroken record extending over several decades.

Action of the directors in deferring action on the preference shares was not altogether unexpected. Operating report for 1932 showed net earnings of $20,089,985, or an amount appreciably less than the fixed charges. Ability to cover 1932 preference dividends depends entirely upon the amount shown in "special income." Returns credited to this division are expected to be small; certainly less than had been expected earlier owing to the non-inclusion of the stock dividend paid by Consolidated Mining and Smelting Co., in which the C. P. R. has controlling interest. A stock dividend was declared by Smelters in January retroactive to December 31, 1932, which would have enabled the C. P. R. to show it in its last year's accounts. Protest against the retroactive feature of the dividend was made by the Toronto and Montreal Stock Exchanges and the record date consequently was brought forward into January.

Windsor, Essex & L. S. Rly. Would Change Funded Debt

Windsor, Essex and Lake Shore Electric Association is making application to the Ontario legislature for authority to issue debentures in substitution for any debentures of the association now outstanding as well as authority for the guaranteeing municipalities to issue debentures in substitution for any debentures of the association now outstanding.

LIFE FIRMS DISBURSING HUGE SUMS

Canadian Policyholders Got $600,000 a Day in 1932

TAKE CASH VALUES

Demand For Surrender Values Jumps 46 Per Cent in Past Year, Post Estimates

Life insurance companies distributed in Canada to policyholders and their heirs the record-breaking total of $185,000,000 in 1932, according to an estimate prepared by The Financial Post this week.

This figure covers the disbursements of both Canadian and foreign companies in Canada in respect of all payments to policyholders and beneficiaries and represents an increase of over 17 per cent above the corresponding figure of 1931. It covers both federal and provincial licensed companies and means that Canadian policyholders or their heirs received from life insurance companies in the past year more than $600,000 every working day. The figure is just double the amount distributed 5 years ago.

Surrender Values Soar

Chief reason for the amazing increase in policy payments by life companies in recent years—in spite of a sharp drop in policy dividend payments—has been the heavy demand for cash surrender values. Everywhere, wage-earners and business and professional men, who have been hard pressed for money have sooner or later fallen back on the equity in their life insurance contracts to meet these financial demands. This has been natural, of course, since life insurance—almost alone among investments—has remained an immediately available security always payable promptly and at par.

No figures are available as yet as to just how much was paid out in Canada by way of surrender values but figures compiled by The Financial Post covering the experience of all Canadian companies indicate that in 1932 these companies paid out in this way to policyholders in Canada and abroad, something between $75,000,000 and $80,000,000—an increase of 46 per cent over the corresponding figure of 1931 and actually more than one fifth of total payments of this kind made during the previous 55 years. The corresponding figure five years ago was $24,000,000.

Comparative figures showing actual cash surrender values paid in 1932, 1931 and 1927 by the majority of Canadian companies are reproduced herewith. For these fifteen companies whose payments in 1931 comprised about 85 per cent of the Canadian total, the 1932 figure is $66,531,000 as compared with $45,558,000 in 1931 and $20,435,000 five years ago in 1927. Figures for half a dozen important Canadian companies could not be included because their statements did not show a separate total for cash surrender disbursements. In a few cases no statement has been published as yet for 1932. The figures follow:

Cash Surrender Values, Paid

	1932 $	1931 $	1927 $
Sun	28,429,568	20,807,218	9,245,048
Canada	9,539,212	5,949,624	2,783,329
Manuf'turers	8,807,362	5,284,530	2,145,445
Mu. of Can.	5,258,053	3,737,433	1,685,795
Confeder.	3,756,398	2,445,795	1,376,700
Imperial	4,034,927	2,476,965	971,491
No. Amer.	2,273,044	1,799,950	970,716
Crown	1,209,328	691,460	252,850
Excelsior	782,445	607,807	319,444
National	710,781	495,781	214,427
Northern	664,868	496,809	201,850
Continental	480,916	390,429	160,397
Sovereign	451,296	319,178	98,445
Maritime	28,552	10,823	694
West. Empire	109,808	44,282	7,884

Met From Current Income

Canadian companies and foreign institutions serving the Canadian field, take pride in the fact that these extraordinary demands which have featured the past two years of depression have been met without hesitation and without any sacrifice of invested funds.

This has been possible because normally, payments to policyholders and their beneficiaries comprise

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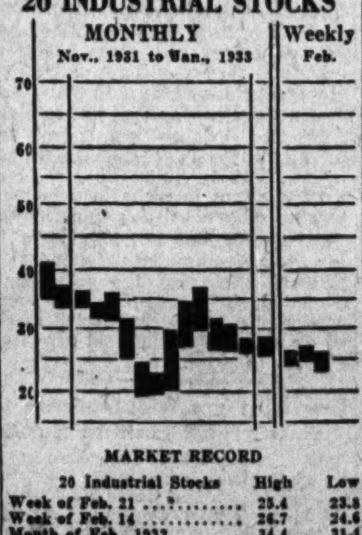
Stock Market



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Feb. 21	25.4	23.8
Week of Feb. 14	26.7	24.6
Month of Feb., 1932	34.4	31.4
8 Bank Stocks		
Week of Feb. 21	161	160
Week of Feb. 14	163	161
Month of Feb., 1932	205	203
10 Public Utilities		
Week of Feb. 21	43	40
Week of Feb. 14	44	42
Month of Feb., 1932	56	51

Montreal Power's Proposal Beauharnois Reorganization Meets Committee's Approval

Beauharnois Plan

From Our Own Correspondent

MONTREAL.—Following is a condensed summary of the Montreal Power plan submitted to and approved by the Bondholders' Protective Committee of the Beauharnois Power Corp. for the reorganization and complete financing of that enterprise. Before this plan can be carried into effect it must have the approval of the Dominion government, Quebec government, the banks and the bondholders.

COMMON STOCK

The new company will have 762,000 shares of no par value common stock made up as follows:

Present common stockholders will receive one new share for ten old, or 172,000 shares.

Present debenture holders will receive one-half share for each $100 face value of bonds, or 150,000 shares.

240,000 shares will be given as bonus stock with the $13,500,000 of first mortgage bonds to be offered in the first place to the debenture holders.

Montreal Power will receive 200,000 shares in return for underwriting $13,500,000 of the first mortgage bonds.

BEAUHARNOIS COLLATERAL TRUST BONDS

Holders of these bonds will be asked to forego interest claims until 1937 and to accept a new security bearing 5 per cent interest, as compared with 6 per cent on the old issue. In return for this concession they will receive $120 of new bonds for $100 of old bonds.

As compensation for loss of interest over a period of 18 months, they will receive five shares of common stock per $1,000 bonds as mentioned above.

NEW FIRST MORTGAGE BONDS

It is proposed to issue $37,495,000 of 5 per cent first mortgage bonds, of which $22,495,000 will be taken up by the banks; $1,500,000 by the Quebec government and $13,500,000 to be underwritten by Montreal Light, Heat and Power Consolidated.

Of the total taken by the banks, $16,000,000 will be guaranteed by the Dominion government but such guarantee will lapse as the bonds are liquidated.

The bonds will be taken up at 92.45, and Beauharnois Power collateral bondholders will have the first opportunity to subscribe to the first mortgage bonds underwritten by Montreal Light, Heat and Power Consolidated.

Plan Will be Put Before Bondholders for Decision

COMPLETE FINANCING

Common Stock Reduced — Defer Interest Charges — New Bond Issue Underwritten

From Our Own Correspondent

MONTREAL.—Plan of reorganization and arrangements for the necessary financing to complete the Beauharnois Power enterprise has been submitted by Montreal Light, Heat and Power Consolidated and approved by the Bondholders' Protective Committee.

Official announcement to this effect will be issued shortly and a meeting of the bondholders called to approve the scheme.

During the past twelve months the Bondholders' Protective Committee, under the chairmanship of T. A. Russell, has been engaged in (1) bringing the enterprise into production; (2) undertaking to arrange money for current expenses and (3) to evolve some plan whereby the Beauharnois project could be carried through to completion.

Heavy Bank Advances

Since the exhaustion of the money raised by Beauharnois Power Corp. through the public sale of $30,000,000 of 6 per cent collateral trust bonds, the corporation's capital expenditures have been advanced by the banks and the Dominion Government.

Following the federal investigation into the affairs of Beauharnois, the Dominion Government announced that it would guarantee advances to the extent of $16,000,000, which represented the outlay on the canal which was to become the property of the Dominion Government. Meantime the banks had advanced approximately $6,500,000 secured by first mortgages of Beauharnois Light, Heat and Power Co.

With the exhaustion of the Dominion Government's advances and the bank's refusal to make further loans, the committee has been faced with the problem of raising sufficient capital to complete the development.

Changed financial conditions since the first public financing was carried out by Beauharnois Power Corp, made the raising of additional funds one of extreme difficulty.

Nineteen Plans Offered

It was understood that about 19 plans have been submitted to the committee but of this number only one has been backed by the necessary guarantee assuring that such a plan could be carried out.

This plan is the one submitted by Montreal Light, Heat and Power Consolidated, which already has a substantial financial stake in the enterprise as well as having contracted to take 40 per cent of the maximum output of the Beauharnois Power plant.

Details of Plan

The Montreal Power plan can be divided into three major divisions. The first division has to do with the bonds of Beauharnois Power Corp.; the second division applies to the capital stock and the third division to taking care of federal and bank advances as well as arranging for the necessary financing to complete the project.

Asked for Concessions

It is provided in the plan that the Beauharnois Power bondholders be asked to forego interest charges until 1937; in other words, 11 half-yearly coupons will go unpaid.

In return for this concession the

(Continued on page 2, col. 3)

ENGLISH AUTO WILL BE SOLD CANADA WIDE

Austin Co. Establishing Distributors and Agencies

Austin Motor Car Co. of Northfield, England, has started an intensive drive to obtain a foothold in the Eastern and Central Canada market with the establishment of distributors in Halifax, Montreal, Toronto and Winnipeg. A representative of the company is at present in Eastern Canada and will leave in the course of a few days for the West, having arranged for these distributors in the East to establish a chain of agencies throughout the provinces, The Financial Post learns.

Sales of Austin cars have been made in British Columbia for the past two years and a strong organization has already been established in that province. In 1932, according to the English representative of the company, sales of Austins in British Columbia took third place among all cars ranked according to total sales.

A representative from the Toronto distributors, V. & S. Motors, Ltd., is due to leave Toronto next week for a trip through the province to establish agencies in most of the leading cities, The Financial Post learns. Halifax and Montreal distributors are also responsible for the establishment of agencies throughout their respective provinces.

No arrangement has yet been made regarding New Brunswick but a distributor in this province will be appointed before the Austin representative leaves the country.

Complete Range

Austin Co. manufactures a complete line of automobiles ranging from the baby car, already known in Canada, to a big six limousine. Prices have not yet been definitely fixed but will range from $550 for the baby car upward. The Financial Post is informed that the four-cylinder, 10 horsepower car, which the company expects will make the strongest appeal to the Canadian public, will sell for about $1,000. Perhaps the biggest selling point about this car is its exceptional mileage to the gallon of gasoline, as high as 40 miles being recorded and more than 35 being usual in city driving.

The important item of service on these cars is fully realized by the English company, the company representative told The Financial Post, and a complete line of parts has been shipped with the first shipment of cars from England. This shipment, consigned to the Montreal and Halifax distributors, is expected to arrive in Canada in a day or two.

Left-Hand Drive

The cars which are being shipped to Canada are standard in every way with the exception that the drive has been changed to the left and door locks have been fitted to satisfy the Canadian buyer.

Asked by The Financial Post if there was any likelihood of the Austin Co. establishing a branch plant in this country for assembling cars, the English representative stated that his company was ready and willing to do this just as soon as the response in this country justified the move.

Home Loan Bank Finds No Support

Proposal that the Ontario Government sponsor legislation along the lines of the Federal Home Loan Bank Act of the United States, made by John B. Laidlaw, of the Norwich Union Life Insurance Society and director of Union Trust Co., has not as yet had the full consideration of trust and loan company officials but the consensus is that a Home Loan Bank is not necessary in Canada at the present time.

Doubt is expressed as to the success of the Home Loan Banks in the United States and it is stated that little money has been loaned and building has not been increased. It is understood that there will be some agitation in Washington for discontinuing operation of the Home Loan Banks.

Premium Surcharge Plan Indefinitely Postponed

From Our Own Correspondent

MONTREAL.—Suspension "for the present" of a proposal to place a 2 per cent surcharge on insurance premiums is announced by the Canadian Fire Underwriters' Association. It was planned to make the impost effective May 1 but considerable doubt had been expressed as to the likelihood of its enforcement.

The surcharge, sponsored by the tariff companies, sought to reimburse them for increasing demands from taxation. It is claimed that taxes amount to between 4.5 and 4.8 per cent of premiums for the average company; this includes a recently imposed 1 per cent federal tax. An alternative to the impost would be an increase in premium rates, a policy which, it is claimed, would take possibly two years to make its effects felt.

The 2 per cent surcharge was originally planned to become effective March 1. The proposal met with immediate opposition when it was first announced some months ago and its sponsors gave the zero hour a hoist until May 1. Now it has been indefinitely suspended.

Chief among protestations were those from various agency associations throughout Canada which unanimously went on record against the proposal. One problem which loomed was the fact that the agent's commission would be reckoned on the total premium, thereby nullifying to some extent benefits which might accrue to companies from 2 per cent surcharge.

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Real honor is tendered William H. Gardner, Winnipeg, in his election to the Advisory Council of the National Association of Real Estate Boards of the United States. The advisory council membership has formerly consisted entirely of past members of the association. While Mr. Gardner has not been a president of the association he has been a member of the board of directors for many years and served as first vice-president in 1930, 1931, and 1932, and was a member of the executive committee in 1929. His election as member of the advisory council comes as he retires this year from membership in the board of directors.

Mr. Gardner is well known in Winnipeg, being a member of the firm of Oldfield, Kirby & Gardner, real estate and insurance. He has been president of the Winnipeg Real Estate Board and is chairman of the committee investigating assessment problems in Winnipeg. He is also head of the Federated Charities Campaign.

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Assets exceed $8,200,000.

Shall Canada Annex U.S.A?

The Revue's satirist (Arthur Lowe) draws a parallel between India and the great American Republic. Does not the patchwork map of United States, with its conflict of race, color and outlook; its wide areas of intellectual aridity; dense economic jungles; head-hunting propensities of large blocks of the population; and paganism of hero-worship, make cohesive government impossible? Should not some established, central government like that at Ottawa undertake administration? Many other nations have mandates, why shouldn't Canada?

C.N.E. Chorus Abandoned!

Directors of C. N. E. decide that in view of waning public interest in choral music, demonstrated by steady decline in attendance over ten years, that this attraction be omitted from 1933 calendar. Great losses entailed by mammoth chorus deciding factor.

SOLVING THE JIG-SAW PUZZLE
A scientific approach is necessary when working against a time limit.—By W. A. McKague.

THE GREAT RESCUE
Revue's Wandering Reporter saved for civilization.

NBC STARS BEHIND THE SCENES
By J. Herbert Hodgins. Revue writer spends evening in NBC studios; meets Amos 'n Andy, Rudy Vallee, Baron Munchausen, Walter Winchell, Jane Cowl and sees the enactment of the Westinghouse mystery thriller.

THE VANISHING HE-MAN
Ellen Mackie has interviews on a pertinent question with feminists well known in Canada.

AS I WAS JUST SAYING
Raymond Mullens' weekly feature column of Comment.

THE POLICE ON THE AIR
By James Montagnes. A Short Wave Feature.

THE SYMPHONY OF PARLIAMENT
Corridor reviews the latest gossip on Parliament Hill.

ARLENE JACKSON
On the Front Cover. Toronto entertainer now a featured artist of NBC.

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The Nation's Business

(Continued from page 1)

at large the dangers of our situation, then national government is one straw and possibly even a life belt at which the nation will grasp.

* * *

THE world is preparing for a great economic conference—a parley at which to sign the economic peace. But we have seen that peace treaties without the will to peace do not end the threat or reality of war. Economic peace treaties to end the economic war cannot accomplish much without the will to economic peace. Each country must make its individual contribution to world recovery at the same time that it joins other nations in finding larger solutions for larger world problems.

Canada's contributions must be a balanced federal budget; a curtailment of expenditures by provincial and local governments; maintenance of a sound currency and credit system; reduction of production costs to meet, as far as possible, the decline in prices; and measures to stimulate trading with other nations. At the Ottawa conference Canada aided in the reduction of tariff barriers between a large group of nations comprising 25 per cent of the world's population. In friendly conversations with the United States on the tariffs between the two countries we may find another way to start trade moving on a larger scale. Between the reciprocity treaty of 1911 and the present attempts of Mr. Bennett and Mr. Roosevelt, and of Mr. MacDonald and Mr. Roosevelt to stimulate international trade bi-laterally there is a world of difference, not only in the setting and in the approach to the problem but in the objectives to be achieved.

* * *

THE world is not yet beaten. Canada is not yet beaten. There is no occasion for the despair which finds its expression in the thought that a rattling good world war right now might put an end to this depression. The menace of war is great. We should not throw it out of our calculations entirely though we may firmly resolve, as the British have apparently resolved, that we shall not be drawn into a conflict that is not of our making and not our immediate concern.

The way to economic peace can be found within the boundaries of political peace and nowhere else.

It is indeed a world economic crisis but we cannot fairly blame the world for our troubles until we have ourselves made our individual contribution to international stability. The best contribution we can make is financial stability achieved through good political and business management of our domestic affairs.

MONTREAL POWER'S PROPOSAL BEAUHARNOIS REORGANIZATION MEETS COMMITTEE'S APPROVAL

(Continued from page 1)

bondholders will have four years' interest capitalized, i.e., they will be given $120 of new general mortgage bonds for every $100 of debentures.

But the new bonds will carry a coupon rate of only 5 per cent instead of 6 per cent as at present.

It will be observed that although the par value of Beauharnois Power Corp. bonds outstanding will be increased from $30,000,000 to $36,000,000, fixed charges will remain unchanged, namely, $1,800,000 per annum.

Take Care of Advances

At the present time advances made to the corporation by the banks and guaranteed by the Dominion Government total $16,000,000. In addition there are unguaranteed loans of $6,495,000 made by the banks. These advances and loans aggregate $22,495,000 and are secured by first mortgage bonds of Beauharnois Light, Heat and Power Co.

In order to complete the development it will be necessary to raise $13,500,000. In addition thereto the corporation has to pay license fees and royalties to the Quebec Government over the next five years to an aggregate amount of $1,500,000.

Provide for Obligations

Under the Montreal Power plan it is proposed to take care of these obligations, amounting to $37,495,000 in the following manner:

Montreal Light, Heat and Power Consolidated will underwrite $13,500,000 of the first mortgage bonds at a price of $92.45; which are to be first offered to the Beauharnois collateral bondholders, with a bonus of common stock.

The interested banks will take up $22,500,000 at the same price. In the case of the amount taken up by the banks, the Dominion Government will continue to indemnify them against loss up to $16,000,000. As the bonds held by the banks and guaranteed by the Dominion are liquidated, the guarantee lapses.

The balance of the first mortgage bonds, $1,500,000, will be taken up by the Quebec Government, at the same price, in lieu of license fees and royalties payable under the terms of the lease up until 1937.

How Stock Fares

The plan provides that the 1,720,000 shares of no par value common stock of Beauharnois Power Corp. will be exchanged for new stock to an amount of 172,000 shares; or in a ratio of one new share for 10 old shares;

Present bondholders of the Beauharnois Power Corp. will be given 150,000 shares, or in ratio of one-half share for $100 face value of bonds as compensation for foregoing interest;

Bonus New Bonds

A total of 240,000 shares will be given as a bonus with the $13,500,000 of first mortgage bonds underwritten by Montreal Light, Heat and Power Consolidated and which will be offered, in the first instance, to the Beauharnois Power Corp. bondholders at a price of 92.45.

Montreal Power's Share

In consideration for underwriting $13,500,000 of first mortgage bonds, Montreal Light, Heat and Power Consolidated will receive 200,000 shares.

Who Gets Stock

The manner in which the 762,000 no par value common shares will be distributed under the plan follows:

	Shares
Present stockholders ..	172,000
Present bondholders ..	150,000
Bonus, with first mortgage bonds	240,000
To Montreal Power ...	200.000

Can Secure Control

Provided that the present bondholders of Beauharnois Power Corp. take up in full the first mortgage bonds to be offered them under the reorganization plan, they will receive approximately 53 per cent of the total outstanding capital stock.

Hurdles to Clear

There are a number of hurdles to get over before this plan is put into effect. In the first place, the scheme will have to receive approval of the bondholders of the Beauharnois Power Corp.

The plan will also have to be approved at Ottawa. It will be recalled that the Prime Minister announced that any plan of reorganization for this enterprise would have to be approved by the Dominion Government. It is understood that the Montreal Power plan has not been approved by Mr. Bennett nor will it go before him officially until the bondholders and other interested parties have agreed to it.

The banks have a large stake in this enterprise and it will [illegible] sary for them to approve of the plan before it can be carried out.

The Quebec Government also has something to say as it is interested to the extent of $1,500,000.

Approval is Seen

As far as can be ascertained at this time it is unlikely that there will be any opposition by the Quebec Government or the banks to the plan put forward by Montreal Power and approved by the Bondholders' Protective Committee.

It is believed that the Dominion Government will not take any stand in the matter, on account of the political features of the case, until the bondholders have passed on the plan. In the event of approval by the bondholders, banks, and the Quebec Government, it is likely that the Dominion Government will signify its approval inasmuch as it will be relieved of all responsibility.

Toronto Group Opposes

It is understood by The Financial Post that Toronto interests are in opposition to the Montreal Power plan. Representations are reported to have been made to the Dominion Government along the lines that Beauharnois Power Corp. bondholders are making too great a sacrifice in relation to the benefits received.

Under the Montreal Power plan, the debenture holders will give up 18 months' interest or $2,700,000, in return for which they receive a block of common stock which is unlikely to have any value for several years to come.

One Toronto group submitted a plan to the committee which is said to be more favorable to the Beauharnois Power bondholders than is the one submitted by Montreal Power. This plan did not receive the approval of the commiteee as it is said that there were no guarantees or assurances that the Toronto group could carry out their proposal.

Another Plan Likely

Since that time another Toronto group has developed a plan which is reported to have the backing of about a score of the leading Canadian investment banking houses. It is this group that has made representations to Ottawa but to date no particulars are available as to its proposal.

Information received by The Financial Post from a reliable source is to the effect that upon official announcement of the Montreal Power plan approved by the committee, a counter-proposal will be put before the Beauharnois Power bondholders by the Toronto group.

The plan sponsored in Toronto provides for the offering of some $9,000,000 of first mortgage bonds to present debenture holders who would be given as an added inducement the opportunity of exchanging their debentures for general mortgage bonds carrying scrip to cover interest payments due until 1937 and a bonus of common stock. Debenture holders who could not or would not subscribe to the first mortgage bonds would not receive scrip in lieu of interest and their position would be subordinate to the new general mortgage bonds. The scrip, it is proposed, would be repayable in 10 years and would pay interest at 5 per cent. On this basis it is expected that the market for the scrip would be at least $50 per $100 face value.

Investment banking houses have been approached as to their willingness to underwrite such an issue of bonds and it is stated that sponsors of the above plan are prepared to deposit $1,000,000 as assurance that the issue will be underwritten. Proponents of this plan feel that debenture holders are given a better deal than they would get under the Montreal Power plan and point out that under the Montreal Power plan debenture holders are asked to forego $9,900,000 of interest with no return. While they would receive a 20 per cent increase in principal amount of general mortgage bonds the bonds would probably have a far distant maturity date and the present value of the additional principal would not offset the concession made by debenture holders of $9,900,000 of interest due by 1937.

English Firm Will Operate at N'fld Halibut Banks

Arrangements have been completed by an English firm to carry on halibut fishing on the Grand Banks and Greenland, commencing in the spring, a report from Newfoundland states. About 150 men have been signed on around Fortune Bay which will be a great help to fishermen in the district.

The venture is something new, the report states, the company sending out one steamer for the coming season, but it is hoped that if it is successful they will carry on along a larger scale in future years.

ORIENT IMPORTING LITTLE CANADIAN COPPER OR NICKEL

War Clouds Not Reflected in Exports of Base Metals

With war clouds gathering in storm proportions between Japan and China, investors' eyes have been turned toward base metal stocks, particularly nickel and copper producers, because these metals are essential materials for munitions.

In an effort to appraise the extent of the buying of these metals in Canada, The Financial Post solicited information from the various producers but in each instance it was learned that producers have few facilities for tracing the ultimate destination of their products. They may be sold to munitions and armament manufacturers but beyond this there is no trace of the destination.

A study of the monthly export records of the Dominion Bureau of Statistics for past months gives segregated details of the metal imports of the various nations, but this adds but little information as to the ultimate destination of Canada's metal exports.

Japan Buys Lead & Zinc

In the past four months Japan has imported $8,521 worth of copper from Canada, China none, United Kingdom $3,056,152, and the United States $167,918. In the same period Japan has imported $79,566 worth of nickel, the United Kingdom $333,576, China none, and the United States $1,368,970.

Japan has been a steady importer of zinc and in the four months ended January, 1933, imported the metal to the value of $217,463. China imported $18,814 and the United Kingdom $488,822. In the same time the lead exports to Japan were valued at $282,781, exports to China at $25,942 and to the United Kingdom at $678,447. Due to tariffs little or no lead and zinc are exported to the United States.

In explanation of the insignificant exports of Canadian copper to Japan it is said that Japan was at one time an important exporter of copper. In past years about 15,000 tons went annually to Great Britain and substantial quantities to India. These exports have been greatly curtailed owing to the demands for home consumption, probably for munitions purposes.

BRITAIN LAUDED BY H. R. McMILLAN

Only World Country Which Has Faced the Facts, He Says

Great Britain was held aloft by H. R. McMillan as the model for other nations which wished to work their way out of the depression abyss, in a speech at the annual meeting of the Vancouver Board of Trade, in which he gave an exceedingly informative survey of European conditions together with the reasons for these conditions and the outlook for the future.

Great Britain he described as "the stern realist, who promptly faced the facts and immediately after the war threw overboard uncollectible debts, the fearless reader of economic laws . . . . a nation solidly behind its government." "It is quite apparent," he said "that British individuals are making sacrifices for their country and the British public are supporting their government in making national sacrifices for world welfare."

Establishment of better relationships with Germany was the sole achievement credited to France during the past year by Mr. McMillan. Otherwise the country was considerably worse off than in 1931, he said. The great burden of expenditure of a standing army, $700 million in 1932 compared with $400 million in 1927, was one of her chief troubles. Political troubles over budget balancing and debt payments have wrecked two governments and are no nearer solution.

Germany seems on the high road to recovery, according to Mr. McMillan, now that she has rid herself of the reparations burden. The Russian situation seems on the point of cracking in Mr. McMillan's opinion, and this rumor is widely expressed in London, he said. The situation in the other parts of Europe is acute and disruptions seem imminent. Britain remains the one country in the world which is endeavoring to help this by political means.

Returning to the domestic situation, Mr. McMillan pointed out that the two great problems before Canadians were railroads and government deficits. Mr. McMillan called for some definite action. He said that enough expert advice had been sought and enough committees formed and what was now wanted was action. "There is no easy money way out," he said. "we must work our way to a sound foundation."

FAIL TO HANDLE EXPECTED TRAFFIC

Maritime Ports Disappointed at Lack of Grain Cargoes Says Gazette

Grain shipments through the Port of Saint John this season have been disappointing to shipping interests there who anticipated a steady flow and heavy bookings, according to The Gazette, Montreal. Although the Cunard Steam Ship Co. made Saint John its winter terminus this year instead of New York, only one cargo, that of the Ascania, has been loaded for London and little tonnage has been obtained for Liverpool, the report states.

The Cairn-Thomson line diverted its steamers from Portland to Saint John this winter also in the hope of obtaining remunerative cargoes of grain but it is not moving. Not a tramp ship has been chartered to load a full cargo at the Maritime port, it is stated.

According to statistics compiled by the Dominion Bureau of Statistics, only 3,866,582 bushels of wheat were shipped from Saint John between the 1st of August and the 3rd of February, the first part of the present crop year. This figure shows some improvement, however, over the corresponding period last season, when exports totalled only 550,360 bushels.

Halifax is little better, relatively speaking, as exports from August 1 amount to only 215,748 bu. This compares with 37,215 bu. in the same period last year but the increase is not large when it is considered that tramp vessels take approximately 250,000 bu. as a single cargo and liners 100,000 bu.

Newspaper Advertising Linage Lower Last Month

From Our Own Correspondent

MONTREAL.—Newspaper advertising linage in January, 1933, was 77.9 per cent of that in the same month a year ago, continuing with barely any change the rate of loss established in the last two months, according to Editor and Publisher's report based on returns compiled by Media Records Inc.

Total advertising linage last month was $77,956,895 divided as follows: display only, 62,674,616; classified, 15,282,279. For January, 1932, advertising linage amounted to 100,032,029, made up of 81,648,093 lines of display and 18,383,936 lines of retail advertising.

Advertising linage by classifications in January, 1933, with comparative figures for the same month last year in brackets follows: retail, 41,330,559 (54,512,425); general, 14,197,164 (16,840,677); automotive, 4,866,059 (7,000,850); and financial 2,280,834 (3,294,141).

Price Brothers Loss in 10 mos. Nearly $900,000

From Our Own Correspondent

MONTREAL, QUE.—Several large holders of bonds of Price Brothers and Company have recently deposited their securities with the bondholders' protective committee which now controls 47 per cent of the outstanding bonds and is urging other bondholders to make their deposits in order to permit the committee to function on a reorganization plan.

Preliminary statement of earnings for the ten months to December 31, 1932 shows operating loss of $57,910. After bank interest, and overhead charges, and after an adjustment of $108,000 on account of exchange loss on British contracts the company shows a net loss before allowance for depreciation and bond interest of $876.345.

LIFE FIRMS DISBURSING HUGE SUMS

(Continued from page 1)

less than 55 per cent of premium income. Last year this figure as affecting the business of all companies doing business in Canada (Canadian business only) rose to 67.4 per cent—a new all-time record. No corresponding figure is available for 1932 but The Financial Post estimates that as far as the experience of purely Canadian companies is concerned and including both their foreign and domestic business, payments to policyholders soared to 85 per cent of premium income. This in spite of the fact that dividend scales to participating policyholders, were drastically reduced. Premium income for all Canadian companies declined 10.6 per cent, The Financial Post estimates.

Comparative figures for total payments in respect of policy contracts for Canadian companies in 1931 and 1932, as far as they are available to date, are shown below. Allowing for the few companies whose figures are not yet available, The Financial Post estimates that Canadian companies alone will have paid out in 1932 something over $244,000,000 to policyholders and their beneficiaries as against a corresponding figure of $208,000,000 a year ago.

Total Payments to Policyholders and Beneficiaries by Canadian Companies
(Ranked according to gross insurance in force at end of 1931)

	1932 $	1931 $
Sun	108,527,555	93,235,849
Canada	29,252,911	26,449,101
Great West	21,219,315	16,493,950
Manufacturers	18,288,741	14,348,063
Mut. of Canada ...	15,138,746	13,161,877
London	8,801,758	6,554,040
Confederation	12,199,575	9,880,386
Imperial	8,971,333	7,637,748
North American ..	5,834,891	4,930,780
Dominion	1,112,368	3,013,473
Crown	2,494,130	2,109,511
Excelsior	2,094,593	2,000,065
Monarch	1,186,859	983,821
National	1,403,784	1,141,510
Northern	1,318,266	1,136,743
Ont. Equitable	774,794	647,801
Continental	913,382	814,563
Sovereign	739,401	567.219
Mut. Relief	512,868	429,725
Maritime	80,086	57,186
West. Empire	193,275	77,128
Saskatchewan	195,002	207,375

C.S.L. TO PASS GENERAL BOND INTEREST IN '33

(Continued from page 1)

suffered a decline from $17,500,000 in 1928 to $8,500,000 in 1932 or over 50 per cent.

Under these circumstances, the president says, the company found itself unable to meet its entire sinking fund requirements for 1932, or to continue such payments during the current year. On the other hand "it is abundantly able to continue to pay the interest on its 5 per cent Consolidated First Mortgage."

Grain Traffic Disappoints

Notwithstanding the reduced movement of traffic in 1932 the company was able to repay current bank loans to the extent of $1,150,000 by the end of September, at which time grain was moving in such volume as to warrant the expectation that all interest and sinking fund payments for the year could be met out of earnings.

On this premise, the management borrowed $500,000 at the beginning of October last in order to meet interest on its funded debt. Expectations of repaying the loan in full and meeting the balance of its sinking fund payments out of earnings last year did not materialize as the grain movement petered out after October 9. The company was able, however, to repay $200,000 of this loan, but no further sinking fund payments were made.

No More Borrowings

In commenting upon the current position of the company Mr. Coverdale says "as the company has heavy requirements for interest on its funded debt and for sinking fund payments on its 5 per cent consolidated first mortgage before the opening of navigation on May 1, 1933, and as it now has bank loans outstanding of $3,050,000 it will be evident that additional funds neither should nor could be borrowed for such purposes."

Temporary passing up of the sinking fund on the consolidated first mortgage issue will undoubtedly prove helpful to the company, but the position of the company can hardly be regarded as stable in view of the coming default on the general mortgage bonds.

A sharp upswing in business with the opening of navigation would materially improve the financial position of the company and would likely enable it to secure a further line of credit. Failure of business to improve, however, is likely to result in action being taken by the proposed committee to protect the interests of the general mortgage bondholders.

PARTNERS for 115 years

The people of Canada and the Bank of Montreal are partners today, as they have been for 115 years and as they will be in the future. Hundreds of thousands of depositors entrust their money to the Bank to be kept in safety and to earn interest. The Bank lends these deposits, under proper banking safeguards, to facilitate sound business.

You are cordially invited to make use of the strength and manifold banking facilities of this institution.

BANK OF MONTREAL
Established 1817
HEAD OFFICE: MONTREAL

TOTAL ASSETS IN EXCESS OF $750,000,000

MAGIC BAKING POWDER
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Leaders in their respective markets for more than thirty years
Quality Products of
STANDARD BRANDS LIMITED
HEAD OFFICE: MONTREAL
A Canadian corporation operating Canada's largest fresh food delivery system
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STEEL STRUCTURES
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SWING & BASCULE SPANS
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Hydraulic Regulating Gates and Operating Machinery
Liftlocks, Turntables, Electric and Hand Power Cranes
Gear Cutting, General Machine Work, Forgings

DOMINION BRIDGE COMPANY
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BRANCH OFFICES AND WORKS:
MONTREAL OTTAWA WINNIPEG VANCOUVER
AMHERST TORONTO CALGARY
AGENCIES: EDMONTON REGINA

GENERAL TRUST OF CANADA

MONTREAL -- QUEBEC

BALANCE SHEET

December 31st, 1932

ASSETS

CAPITAL-ACCOUNT:		
Cash in office and bank........	63,422.67	
Accounts receivable............	743.27	
Loans fully secured............	353,325.00	
Accrued interest on above......	6,466.89	
Advances to estates............	162,545.84	
Stocks, bonds and mortgages....	745,301.00	
Accrued interest on above......	14,536.45	
Office furniture and reorganization expenses................	2.00	
Real estate....................	21,472.85	
Total Assets of the Company..............		$1,367,815.97
ESTATES, TRUSTS and AGENCY ACCOUNT:		
Bank...........................	553,282.07	
Investments:		
Stocks.........................	5,648,617.00	
Bonds	17,672,433.44	
Mortgages......................	763,757.84	
Real Estate....................	4,312,719.33	
Sundries	273,393.80	$29,224,203.48
GUARANTEED ACCOUNTS:		
Call loans on bonds and stocks...............		1,312,475.00
		$31,904,494.45

LIABILITIES

CAPITAL-ACCOUNT:		
Accounts Payable..............	$ 1,500.57	
Dividend declared but unpaid...	16,599.50	
Income Tax Reserve...........	11,481.58	
RESERVE:		
Unearned fees.................	56,696.88	
Depreciation on investments....	15,000.00	
PROFIT and LOSS ACCOUNT.	161,537.44	
CAPITAL-STOCK, fully paid:		
Common.........................	5,000.00	
Preferred......................	1,100.000.00	
Total Liabilities of the Company		1,367,815.97
ESTATES, TRUSTS and AGENCY ACCOUNTS:.................		29,224,203.48
GUARANTEED ACCOUNTS:		
Principal and accrued Interest................		1,312,475.00
		$31,904,494.45

PROFIT and LOSS ACCOUNT

BALANCE January 1st, 1932..................	$ 141,962.92
PLUS:	
Net profit for the year......................	85,574.52
	227,537.44
LESS:	
Dividends....................................	66,000.00
BALANCE, December 31st, 1932..............	$ 161,537.44

Approved for the Board of Directors:
Hon. D. O. L'Espérance, Vice-President.
Hon. F. L. Béique, Administrator.

AUDITOR'S REPORT

I have the honor to report to the shareholders of General Trust of Canada that I have examined the accounts of this Company for the year ended 31st December 1932 and have obtained all the information and explanations required.

I have verified the cash balances and the securities held by the Company both for its own account and for the account of the Estates and Trusts under administration. The securities and funds held in safekeeping and in trust are kept separate from the securities and funds of the Company and are so earmarked on the books of the Company as to show the account to which they belong.

I certify that, to the best of my knowledge, the above balance sheet abstracted, from the books as at 31st December 1932, exhibits a true and correct view of the financial affairs of the Company.

MAURICE CHARTRE,
Chartered Accountant.

MONTREAL, February 17th, 1933.

HOOVER CLAIMS U. S. TARIFF NOW AMONG LOWEST

Depreciated Currencies Modify Effect of Duties

By M. M. WILNER

WASHINGTON.—One passage in the Lincoln-day speech of President Hoover, regarded as his last public address before retiring, has escaped the attention which its significance justifies. He said:

> "In the present setting of depreciated currencies and in the light of differences in costs of production, our tariffs are below those of most countries. We have held free from quotas, preferences, discriminations among nations."

The claim that the United States has, in effect, a lower tariff than most other countries at the present time presents a viewpoint which never before has been advanced by a responsible statesman since the act of 1930 went into effect or even from a much earlier date. Whether it is accepted without dispute or not, it reveals something of the blow which the industries of the United States have felt from the world-wide economic war that Mr. Hoover described in another paragraph of his speech and of the reactions which must be expected from minds long accustomed to the protectionist school of thought. The effort of the Republicans of Congress to enact legislation to check the competition of imports from countries having depreciated currency failed, but even Democratic leaders intimated that they are likely to attempt something of the kind themselves in the next Congress.

High Continental Duties

No doubt Canadians and British can offer replies which will reduce the force of Mr. Hoover's contention, if he even intended it to apply to them, but as a generality his conclusion can be supported strongly by citing the French, German and Italian quota systems and their tariffs on wheat, at least, running to 85 cents, $1.60 and $1.71 a bushel. Moreover, so far as imports are concerned, cheap competition must find its most dangerous illustration in Russia, where depreciated currency, government ownership and wage control combine to permit prices which no producers on a profit basis can hope to meet.

Mr. Hoover's argument for cooperation and adjustment to terminate the world economic war must be interpreted in the light of the conditions as he sees them, and it must be remembered that, even though he and his party are retiring from power, he is expressing the thought which experiences are developing in the minds of a great business and labor element that will continue to exert powerful pressure on the policies of the United States Government.

See Anglo-Saxon Unity

In this connection a comment by the Buffalo Evening News may be interesting to Canadians as conveying an impression which the discussions of this subject are making on some minds. The News said:

> "The populations of the United States, Great Britain and the magnificent British dominions make a sufficient proportion of the world to control its economic destinies, if they can agree on correct lines and work together to establish them."

The News noted the change in historic policy which the dominions forced upon the British statesmen at the Ottawa conference last summer and suggested that this might indicate a line upon which the cooperation of the United States might be developed most easily.

STANDARD CLAY PROFITS REFLECT BUILDING DROP

Loss After Charges Shown — Dividends and Bonus Paid on Stock

From Our Own Correspondent

MONTREAL.—Decline in building activity is reflected in earnings of Standard Clay Products for 1932 which dropped to $19,468 compared with $201,040 in the previous year. After bond interest and depreciation there was a deficit of $59,534 against a net profit of $84,030 after charges, including income tax, in 1931.

During the year dividends were paid at the rate of 2 per cent which increased the loss to $74,534. In the preceding period net profit equalled $11.20 a share on the common when a 2 per cent payment was made. A bonus of 2 per cent, declared in 1931, has also been deducted from surplus reducing it to $98,483 compared with $190,059 at the end of 1931.

Profit and Loss

Following are details of profit and loss for the past two years:

	1932	1931
Oper. profit	$19,468	$201,040
Less: Bond int.	45,000	45,000
Depreciation	34,002	62,010
Tax reserve	......	10,000
Net profit	*59,534	84,030
Less dividends	15,000	15,000
Surplus for year	*74,534	69,030
Add prev. surplus	‡188,017	121,029
Less bonus divds.	15,000	......
Bal. forward	98,483	190,059

*Deficit. ‡Adjusted.

Working Capital

	1932	1931
Curr. assets	383,592	503,779
Curr. liabilities	10,511	36,773
Working capital	373,081	467,006

Reduced activity is seen in a decline in accounts receivable from $93,667 to $18,461 at the close of the year. Cash at $45,664 was about half that shown in the preceding report while government bonds show a reduction of $11,000 at $58,900. Inventories are slightly higher; goodwill is unchanged at $50,000.

No bank loans are reported in liabilities. Accounts payable are down to $6,809 from $33,081. During the year there was redeemed $24,400 of 6 per cent first mortgage bonds leaving $486,500 outstanding of an original issue of $750,000.

In his remarks to shareholders Colonel Herbert Molson, president of the company, said in part:

"Conditions under which your plants were operated during the year were very difficult, and in consequence the plants were closed down for about 50 per cent of the year, and when operating were on a reduced scale of production.

"Expenses were curtailed in every way as much as possible, reductions being made in all salaries, and your directors served without remuneration for the last six months of the year."

3% Rate on Savings In Use Before 1859

Little Research Done Yet on Interest Rates Paid on Bank Deposits in Canada — Present Policy Dates from About 1897

Three per cent appears to have been an established rate of interest on savings or time deposits in Canada before 1859. It has probably been in general use since not later than 1897.

So little research work has been done on bank deposit rates in Canada during the last 100 years, that complete and accurate information on the topic cannot be given yet. The Financial Post breaks the ground in this article, but, in this subject, bankers and economists still have an almost virgin field for investigation.

First Record in 1819

The first record of an interest bearing deposit in a Canadian bank, uncovered so far, was one with The Bank of Montreal in 1819. It consisted of capital funds of the Montreal Fire Insurance Co., and was taken on deposit for one year at six per cent. This lead to detrimental rumors that The Bank of Montreal had taken this money because of want for it.

The Quebec Bank showed interest bearing deposits of £4,614 in its balance sheet in 1831, compared with non-interest bearing deposits of £37,931. No rate of interest is mentioned, and the item did not appear in the balance sheets for 1834 and 1835.

Interest Started in Toronto

The commencement of regular interest payments on deposits in Canada appears to have started with the Agricultural Bank of Toronto in 1834. This joint stock company announced, when it opened in May of that year, that it would pay interest on time deposits. This plan was much criticized at the time, but apparently other banks in Upper Canada found it necessary to follow suit because the Bank of Upper Canada, the Gore Bank and the Commercial Bank of Midland all showed a proportion of interest bearing deposits in 1836. The rates paid on deposits in those days is uncertain.

The three per cent rate probably became fairly prevalent within the next 20 years. A deposit receipt of the Gore Bank dated May 18, 1859, which was cashed by the Canadian Bank of Commerce in 1893, had the three per cent rate engraved on it. Ross, the chronicler of the History of The Canadian Bank of Commerce, says that this indicates that the rate had evidently not been a subject for discussion for many years. However, there was no uniformity of rates, but the differences do not seem to have been important enough to have evoked much discussion.

War Raised Rates

During the next few years, when conditions were influenced by the civil war in the United States, interest rates on deposits appear to have been high in some instances. There was talk of allowing interest on current accounts in 1863, to compete with the United States private banks, but no record of such payment has been found yet. One authority states that interest paid on time deposits about 1866 ran as high as five per cent in Upper Canada. Different conditions may have prevailed in other parts of course.

From 1868 the interest policy of the Post Office and Government banks forms a fair guide to the general level of bank deposit rates. The Post Office Savings Bank, which started operations in April, 1868, first paid four per cent on deposits.

McLeod's Statement

In 1910 H. C. McLeod, a former general manager of The Bank of Nova Scotia, stated of this development:

> "The banks paid about four per cent, I think, at that time (1868). The banks would have to pay the same as the Government. When we went below the interest paid by the Government, our deposits would fall off very materially."

This would indicate that the banks tried paying less interest than the Government, but that they were not very successful. Thus the Post Office rate may be reasonably considered fairly characteristic of the rates paid by banks. The four per cent rate remained in force until 1889.

Bank of N. S. Rates

In various parts and at different times the chartered banks appear to have paid higher rates than the Government banks. In 1876, The Bank of Nova Scotia paid an average of 3.89 per cent for its deposits. The average cost in Halifax was 3.48 per cent and in smaller centres 4.51 per cent. In Saint John it was 5.64 per cent, probably for competitive reasons. These figures are only averages, but they give some indication of the trend. In 1880 the average interest cost of deposits of The Bank of Nova Scotia dropped to 2.87 per cent. The average for Halifax was 2.26 per cent and for other branches 3.40 per cent.

It might be implied from these figures that the rate on deposits was lowered by one per cent about 1880, and that the bank was paying higher rates for deposits in small branches than in Halifax. The rates in 1876 would appear to have been four per cent in Halifax and five per cent in country centres. About 1880 this appears to have been changed to three per cent and four per cent. However, there is no definite proof that these were the actual rates. Examination of deposit records of the bank would probably yield more definite information.

Effect of P. O. Rates

R. M. Breckenridge, an authority on Canadian banking history, states, of the Government banks, that in 1886:

> "The high rate of interest (4-4½ per cent) paid on deposits, and the lack of adequate restriction on the amount which individuals might deposit, diverted a considerable part of the sums which would ordinarily be kept by the banks to the chests of the Government."

The extent of the Government banks' influence on the chartered banks can be seen in the total deposits in 1887. There was $40,832,275 on deposit in the Government institutions, compared with only $112,656,985 in chartered banks. Some steps were apparently taken to correct this situation because the Post Office rate on deposits was reduced to 3½ per cent in 1889. There is no record of 4½ per cent having been paid by the Post Office.

Three Per Cent in 1890

Breckenridge states that rates in chartered banks in 1890 were three per cent for notice deposits, and went as high as 3½ per cent for time deposits up to 30 or 60 days. He also says that interest had been paid on current accounts before 1890 in cases where keen competition existed.

In 1895, conditions were somewhat similar to those of the present day. There was a slump in business and banks found some trouble employing their funds profitably, in good loans. On one occasion a director of the Merchants' Bank of P.E.I. was asked to withdraw a deposit for several thousand dollars, because it was unprofitable for the bank to pay interest on it.

P.O. Cut to 3 Per Cent in 1897

In 1897, prehaps due to the conditions mentioned above, the Post Office Bank cut its rate to the three per cent, and the banks probably followed suit, if some did not actually pay lower rates. Bond yields were very low, and demand for commercial loans was small, as were banks' profits at that time. Although there were evidently deviations from the flat three per cent rate, it has been fairly uniform as the Canadian bank deposit rate since that time.

The fact that there were variations from the standard rate is indicated from the operations of the Canadian Bankers' Association which was formed in 1901. One of the association's aims appears to have been to establish uniformity of rates on deposits. An agreement to this effect, and establishing the three per cent rate, was made between the banks about 1902 or 1904.

Agreement Violated

There was one case of violation of this agreement after the formation of the C.B.A. In 1908 the Northern Crown Bank was formed, through a merger of the Northern and Crown banks. It was said that this bank, in its early days, paid 3½ per cent, or some such rate, on deposits in country branches, although the three per cent rate was adhered to in large centres. H. C. McLeod said of this: "It was simply a breach of the agreement." The practice appears to have ceased before 1910, and since then there has been only the one saving deposit rate in Canadian chartered banks.

It is important to observe that the present type of savings accounts and savings departments did not become general in Canadian banks until about the beginning of the present century. Formerly it was the practice to give a deposit receipt, not a pass book, to the depositor, and every time there was a change in the balance an entirely new deposit receipt was issued. There were, of course, no checking privileges on such balances, and they were made for a stated period in most cases. They were genuine time deposits, whereas our present savings, "notice" deposits are usually treated as demand accounts.

LOAN INTEREST MAY DECREASE WITH SAVINGS

(Continued from page 1)

posed rates is shown in the following table:

Total Annual Interest Reduction on Net Monthly Average Balances of $1,032,243,846

Rate	Annual Interest $	Annual Saving $
3 per cent	30,967,315	......
2½ per cent	25,806,096	5,161,219
2 per cent	20,644,877	10,322,438

The close margin between a profit and loss in Canadian banking is clearly outlined by the late Stewart Patterson in "Canadian Banking." Of increased deposit rates this authority says:

> "The average difference between the deposit and loaning rate of Canadian banks . . . . is 3 per cent, and any increase in the former must be accompanied by a corresponding increase in the latter."

It does not hold that a decrease in the deposit rates must be accompanied by a proportionate decrease in the loan rates, however. The banks' narrow profit margin could perhaps be maintained in the way this authority suggests, if deposit rates were being raised. If deposit rates were being lowered, the banks could probably maintain their profit margin and at the same time make some adjustment of loan rates.

N. S. MORTGAGE CO. HAS GOOD PROFIT

Shows 10.76 p.c. on Paid Up Capital; Reserve is Increased

Mortgage Corp. of Nova Scotia earned $73,214 in 1932, after all charges as compared with $76,050 in 1931. This represents 10.76 per cent earned on paid-up capital of $680,000 in 1932 as against 11.18 per cent earned in 1931. As in 1931, dividends were paid at the rate of 7 per cent. Provision of $11,000 was made for possible loss on real estate. Slight change is shown in total assets which amount to $2,205,792. Debentures outstanding at $790,709 and deposits at $49,046 remain practically unchanged.

Mortgages held total $1,792,501 while real estate held for sale after provision for possible loss is down to $25,678 from $40,908. Cash is shown at $31,415; school district debentures at $8,708; C.N.R. bonds at book value of $16,489 and Canadian Northern Rly. bonds at $11,001. Capital stock uncalled remains at $320,000.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned $
1928 ...	680,000	64,800	6	9.53
1929 ...	680,000	66,800	6	9.82
1930 ...	680,000	68,921	6	10.13
1931 ...	680,000	76,050	7	11.18
1932 ...	680,000	73,214	7	10.76

*After all cost of management, interest, taxes and directors' remuneration.

IMP'L TOBACCO HOLDS EARNINGS AT GOOD LEVEL

Formation of Subsidiaries Has Effect on Balance Sheet

From Our Own Correspondent

MONTREAL. — Imperial Tobacco Co. of Canada's financial statement for 1932 reveals earnings maintained at a good level despite the substantial decline in sales as evidenced by the Department of Excise's returns. Share earnings on the capital stock amounted to 54 cents, as against 58 cents in the previous year.

As in previous reports, earnings reported by Imperial Tobacco in 1932 do not include the company's proportion of the undivided profits of subsidiary and associated companies which such companies have not thought fit to declare as dividends.

Form Two Subsidiaries

Several changes are noted in the current report due to the action of the management in forming two subsidiary companies, Imperial Tobacco Sales Co. of Canada and Imperial Leaf Tobacco Co. of Canada. This necessitated the transfer of certain assets to these companies and a corresponding increase of investments in subsidiary and associated companies. The reduction in the amount of reserves for buildings, machinery, etc., is accounted for by the transfer of the reserves applicable to them as sets transferred to these subsidiary companies.

Earnings during the past year were sufficient to permit of the directors recommending the payment of a final dividend of 3½ per cent on the ordinary shares. This brings the total distribution up to 10½ per cent or the same as in 1931.

Income Account

	1932 $	1931 $	*1930 $
Net profit	5,471,175	5,914,079	8,153,638
Pfd. div.	397,324	473,172	602,017
Balance	5,073,851	5,440,906	7,551,621
Com. div.	3,307,861	3,310,571	4,071,977
Balance	1,765,989	2,130,335	3,479,644
Prev. surp.	7,763,000	7,723,115	5,153,328
Total	9,528,989	9,853,450	8,632,972
Fin. div.	1,653,930	1,890,450	909,855
Balance	7,875,059	7,963,000	7,723,117
Pen. fund	......	200,000	200,000
P. & L.	7,875,059	7,763,000	7,523,117

*For 15-month period ended December 31, 1930.

Working Capital

	1932 $	1931 $	1930 $
C. assets	18,778,915	23,087,704	24,170,710
C. liabs.	1,581,623	2,246,573	3,980,557
Work. cap.	17,197,292	20,841,131	20,190,153

Reduction in working capital position is explained, in part, by the formation of two subsidiaries during the year. The total of assets has declined from $70,020,268 to $69,069,593. Real estate is down about $1,100,000; plant, etc., by some $700,000. Investments have been increased over $5,000,000 to $17,224,124, while other investments have advanced from $251,950 to $1,074,250.

Inventories Are Less

Lower values for raw materials are reflected in the decline of inventories from $17,337,392 to $13,505,440. Accounts receivable have been materially reduced, this item now standing at $431,313 compared with $4,162,209 a year ago.

Vote on By-Laws

At the annual meeting of the company, to be held next month, shareholders will vote upon the following amendments to the company's by-laws:

1. To enact by-law 82A to authorize the election of a chairman who shall preside at all meetings of shareholders and directors.
2. To amend by-law 83 so as to enable the directors to fill any vacancy in the office of chairman.
3. To amend by-law 22 to provide that share certificates may be signed by the chairman as well as by those now authorized.
4. To repeal by-law "A" and enact by-law 68A to reduce the board of directors of the company from 15 to 12.
5. To repeal and re-enact by-law 73 to provide that six directors are to retire and be replaced at each annual general meeting.

Automobile Tourist Traffic Down 30% From 1931

Canada's tourist trade declined 30 per cent in 1932 from the previous year, figures compiled by the Department of National Revenue of the number of automobiles entering the Dominion for touring purposes indicate. Automobiles entering for more than 24 hours and less than 6 months numbered 1,038,317 in 1932 compared with 1,470,497 in the previous year. Almost all of these cars are listed as entering Canada for a period not exceeding 60 days.

The number of cars entering the Dominion for not more than 24 hours does not show such a large decrease, 3,067,367 cars entering in 1932 compared with 3,439,492, a decline of 11 per cent. This traffic across the border for less than 24 hours cannot, of course, be described as tourist trade.

All provinces recorded lower traffic in automobiles from the previous year, New Brunswick showing the smallest decline—one of only 12 per cent—and Ontario the largest with nearly 36 per cent fewer cars. One day traffic figures show that Manitoba and British Columbia both recorded increased traffic compared with 1931.

Canadian automobiles exported for touring purposes show the same decrease as those coming to Canada, that is, one of 30 per cent. Returns from all provinces show that this percentage is generally the same throughout. Automobiles exported in 1932 numbered 376,534 compared with 536,855 in the previous year.

Complete returns are as follows:

Automobiles Entering and Leaving Canada For Touring Purposes

	—Automobiles Entering Canada— 24 Hours		Less than 60 Days		Can. Autos Exported for Touring Purposes	
	1932	1931	1932	1931	1932	1931
N. S.	....	....	1,145	1,708	73	92
N. B.	234,922	241,076	52,123	58,954	5,514	9,345
Que.	219,778	244,770	312,957	400,748	90,825	132,576
Ont.	2,497,384	2,834,427	552,011	857,095	149,418	234,077
Man.	31,999	30,144	11,593	14,451	9,762	14,469
Sask.	16,098	19,629	4,632	4,855	4,613	8,145
Alta.	17,720	26,592	3,854	5,362	1,750	2,819
B. C.	49,466	42,854	94,366	126,580	114,579	135,332
	3,067,367	3,439,492	1,032,681	1,469,753	376,534	536,855

Fraser Plans Now Complete

MONTREAL.—Reorganization plans for Fraser Companies and the Restigouche Co. are now in effect and notice has been despatched to security holders to the effect that their certificates must be surrendered to the Montreal Trust Co. for the purpose of exchange into the new securities to which they are entitled to under the reorganization plans.

Exchange of securities will be effected on the following basis:

1. Holders of first mortgage bonds of Fraser Companies to receive new mortgage bonds at par for par.
2. Holders of three-year collateral trust notes of Fraser Companies to receive (a) payment in cash of interest for January, 1932, on notes surrendered and (b) delivery, par for par, of mortgage bonds of Restigouche Company.
3. Holders of debentures of Fraser Companies to receive voting trust certificates representing common shares at the rate of two such shares for each $100 principal amount of debentures.
4. Holders of three-year unsecured notes of Fraser Companies to receive voting trust certificates representing common shares at the rate of two such shares for each $100 principal amount of notes.
5. Holders of common stock of Fraser Companies to receive new common shares at the rate of one such share for each 20 shares surrendered.
6. Holders of first mortgage bonds of Restigouche Company to receive new mortgage bonds at par for par.

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Utilities and Transportation

MONTREAL SEEKS SPECIAL SURTAX PUBLIC UTILITIES

5 Per Cent on Assessed Values Would Provide $580,000

From Our Own Correspondent

MONTREAL — Montreal public utility companies will be asked to bear a larger share of civic taxation if plans before the City Executive Committee are carried into effect. Back in 1918, 1919, 1920 and 1921, the city had authority to place a surtax of 5 per cent on the value of all equipment of public utility companies operating in Montreal.

It is proposed to restore this tax provided the provincial legislature will authorize an amendment to the city's charter. If this is done the city will be enriched to the extent of some $580,000 yearly. But in order to make the tax more pleasing to the Legislature, it is proposed that the money derived through this additional taxation would be ear-marked for charitable purposes, thus relieving the general budget of the city.

Basis of Assessment

At present the assessment on utility companies amounts to roughly $25,000,000, on which the companies are paying a tax of $1.35 per $100. The companies affected, with their valuations, are as follows: Bell Telephone Co. of Canada, $15,947,700; Canadian Pacific Telegraphs, $50,000; Canadian National Telegraphs, $237,500; Dominion Electrical Protection, $50,000; Montreal Light, Heat and Power Consold., $7,439,750; and Shawinigan Water and Power Co., $1,184,000.

Montreal Tramways Co. was exempt from the surtax applied in 1918-1921 and it is not proposed to change this status.

Restore Old Clause

The clause in the city's charter, which was operative between 1918 and 1921 and which it is now proposed to revive, reads as follows:

"The city is authorized to impose and levy every year during 1918, 1919, 1920 and 1921, a special real estate surtax on the property situated in the streets, lanes, and public places of the city belonging to telephone or telegraph companies, lighting companies (gas and electric), or electric power companies; or any company operating public utility services of any kind whatsoever, and making use of the streets, lanes or public places for its operations. Such surtax shall not exceed one per cent per annum in the case of water companies, nor five per cent in all other cases, of the value of said property on the valuation roll in force and shall be shown every year on the assessment roll. The Montreal Tramways shall be exempt from such a tax."

Public Utility Earnings

Southern Canada Power

	1933	1932	Decrease
	$	$	$
January			
Gross earn.	189,347	197,960	8,613
Oper. exps.	63,104	68,781	5,677
Net earns.	126,243	129,179	2,936
Four Mos. Ended January 31:			
Gross earn. ...	757,180	798,532	41,352
Oper. exps.	250,565	296,945	46,380
Net earn.	506,615	501,587	*5,028

*Increase.

B. C. Power Corp.

January:	1932	1931	Dec.
	$	$	$
Gross earn. ..	1,135,624	1,281,321	145,697
Oper. exp. ...	735,606	839,026	103,420
Net earn.	400,018	442,295	42,277
Seven Mos.:	1932	1931	Dec.
	$	$	$
Gross earn. ..	7,669,563	8,452,090	782,527
Oper. exp. ...	4,365,353	4,755,388	390,035
Net earn.	3,304,210	3,696,702	392,492

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Winnipeg Trams Cost Money in 1932

From Our Own Correspondent

MONTREAL. — Tramway operations of Winnipeg Electric Co. in 1932 fell short of meeting the tramway division's proportion of the fixed charges, etc., necessary to maintain service, by some $591,001, according to an official statement issued by the company. Fare passengers carried by the trams last year numbered 41,767,657, the lowest for any year since 1911, when approximately the same number was carried. Car miles operated in 1932 totalled 9,610,528.

Over the last five years the company claims the street railway has had a shortage of $2,904,196. This represents the trams' proportion of charges necessary to maintain efficient service and keep the system in a satisfactory financial condition.

N. B. TELEPHONE REVENUES DROP $159,562 IN 1932

Stability of Dividend in Doubt Unless Income Improves

From Our Own Correspondent

MONTREAL. — Moderate improvement in working capital, but a decline in earning power and reduction of dividends, are highlights in New Brunswick Telephone Co.'s annual financial statement for 1932.

This company, controlled by Bell Telephone Co. of Canada, experienced difficult conditions last year. Long distance calls were 196,591 less in 1931, or a decline of 22 per cent compared with 1931. Telephones installed registered a net decline of 2,754, or 8½ per cent from the 1931 figure.

Reduce Stock Dividends

From an 8 per cent dividend on the capital stock in 1931, three quarterly dividends of 1½ per cent and one of 1¼ per cent were paid. Operating expenses were reduced, as also were salaries and wages. The reduction in expenses thus affected enabled the company to cover the lower dividend charge by a small margin.

Report Small Surplus

Net income for the year was equivalent to 58 cents a share on the company's capital stock, on which a dividend of 57½ cents was paid. Details of the income account in 1932 and 1931 follow:

	1932	1931
	$	$
Gross revenue	1,318,314	1,477,876
Less expenses	1,015,985	1,144,028
Net earnings	302,329	333,848
Add profit on sec. ..	3,587	......
	305,916	333,848
Less dividends	303,938	422,871
Balance	1,983	*89,023
Br't. forward	61,669	152,881
Less adjust. 1930 income tax	3,408	2,189
Carried forward	60,244	61,669

*Deficit.

Working Capital

	1932	1931
	$	$
Current assets	466,530	438,686
Current liabs.	943,165	1,095,742
Net working capital..	*476,635	*657,056

*Excess current liabilities over current assets.

Investments Are Smaller

At the end of last year the company had assets of $7,180,600, compared with $7,267,740 at the close of 1931. The improvement in working capital was effected by a realization of some of the companys' investments, which are now carried on the books at $31,163 compared with $124,538 a year ago.

There are no other changes of importance among assets. The decline in bills payable from $845,000 to $790,000 features the liabilities.

Outlook For Future

In commenting upon operations and outlook for the company, F. B. Black, president, told the shareholders at the annual meeting that unless there is a marked improvement in business, reflected in increased revenues for the company, further operating economies, as well as a reduction of dividends, may become necessary.

During the year the size of the board was reduced from 15 to 12. Four directors died in 1932 and the only appointment to the board was Harry O'Leary, of Richibucto.

B. C. Power Revenues Lower for January

From Our Own Correspondent

MONTREAL.—Further decline in net earnings is reported by B. C. Power for January last. Gross revenue during the month totalled $1,135,624 and expenses $735,606, leaving net operating income at $400,014. For the same month a year ago gross revenue totalled $1,281,321, expenses $839,026, and net income $442,295.

Cumulative returns for the seven months ended January, 1932, show gross earnings of $7,669,563, a decrease of $782,527 compared with the same period of the preceding year. Operating expenses were reduced $390,000 to $4,365,353, leaving net income at $3,304,210 compared with $3,696,702 in the previous year.

Railway Earnings

Canadian National Railways

	1932	1931	Change
	$	$	$
Gross rev.,	143,414,873	177,273,737	—33,858,864
Oper. exp..	133,374,947	169,688,007	—36,313,060
Net rev.	10,039,925	7,585,730	+2,454,195

C. N. R. SYSTEM REGISTERS GAIN IN NET INCOME

Savings in 1932 More Than Offset Decline in Gross Earnings

From Our Own Correspondent

MONTREAL. — Preliminary returns on the operating financial statement of the Canadian National Railways for 1932 indicate that the nationally-owned system was able to effect a larger net income despite the sharp drop in gross income; in other words, economies in operating costs were more than sufficient to offset the decline in gross income.

During the past year gross revenues amounted to $143,414,873, while operating expenses were $133,374,947. Net income for the twelve months amounted to $10,039,925, an increase of $2,454,196 over the previous year.

Receipts of the railway in 1932 were $33,858,864 below those of 1931, but operating expenses were reduced by $36,313,060. The operating ratio, showing the relationship between income and expenses, was 93 per cent last year as against 95.72 per cent in 1931.

Eastern Lines Gain

The Eastern Lines of the Canadian National, operated under the provisions of the Maritime Freight Rates Act, had gross revenues in 1932 of $17,688,720, a decrease of $5,542,703 from the 1931 figures. Operating expenses were $21,833,213, a reduction of $7,791,773 as compared with the previous year.

The net revenue deficit of the Eastern Lines was $4,144,492, or $2,249,070 less than reported in 1931.

OTTAWA TRAMS' EARNING POWER LESS LAST YEAR

Ottawa Electric Railway Has Smaller Surplus for 1932

From Our Own Correspondent

MONTREAL — No income was received by Ottawa Traction Co. from its stock holdings in the operating subsidiary, Ottawa Electric Railway.

During the past year fare passengers carried by Ottawa Electric dropped 3,057,405 to 23,472,347. This decline in traffic brought about a decline in gross revenue from $178,274 to $1,466,662. Although under a ruling of the Board of Railway Commissioners the company is entitled to a return on capital investment of 7 per cent plus 2 per cent for stabilization reserve, the actual return in 1932 amounted to 2.65 per cent; in 1931, 3.57 per cent; and in 1930, 3.64 per cent.

Surplus Grows Smaller

Particulars of the income account over the last two years follow:

	1932	1931
	$	$
Gross revenue	1,466,662	1,644,936
Less expenses	1,009,376	1,108,266
Net earnings	457,286	536,670
Less: Depreciation	263,860	268,400
Interest chgs.	148,521	161,655
Bond discount	5,762	5,646
Income tax	7,312	17,549
Surplus	31,831	85,946
Br't. forward	420,857	334,911
Carried forward	452,688	420,857

Working Capital Improves

The balance sheet position of Ottawa Electric at the close of 1932 showed a marked strengthening of working capital. Excess of current assets over current liabilities amounted to $586,473 compared with $369,412 at the end of 1931.

A contingent liability of $120,000, representing the company's share of cost of the Somerset Street Bridge, is still carried on the books. The assessment is in litigation at present, but a decision by the Privy Council is likely during the current year.

Cut Down Debt

There has been a further reduction in the company's funded debt, amount now outstanding being $2,705,700. This compares with $2,761,600 in 1931 and $2,814,700 in 1930.

Southern Canada Power Net Lower in January

From Our Own Correspondent

MONTREAL.—Net earnings of Southern Canada Power Co. during the past month were on a lower basis than those reported a year ago. Gross income amounted to $189,347, operating expenses $63,104 and net earnings $126,243. For January, 1932, gross revenue equalled $197,960; operating expenses $68,781; and net earnings $129,179.

For the first four months of the current fiscal year ended January, 1932, gross income amounted to $757,180 compared with $798,532 for the same period of the previous year. Operating expenses were cut from $296,945 to $250,565, leaving net income of $506,615, an increase of $5,026.

Rail Unification Is Urged on U. S.

Investigating Body, Originally Chairmaned By Calvin Coolidge, Envisions One Large Rail System

Similarity in many aspects of the railway problem in Canada and the railway problem in the United States is clearly revealed by a comparison of the Duff report in Canada and the Coolidge report in the United States. Last week the National Transportation Commission, appointed by a group of the largest investors in railway securities in the United States, reported the results of its study of the United States railway problem. Original chairman of the commission, when it was appointed a few months ago, was Calvin Coolidge. The majority report was signed by Bernard M. Baruch, banker; Clark Howell, publisher, and Alexander Legge, chairman, International Harvester. Essential agreement with the main conclusions was reported by the fifth member of the committee, Alfred E. Smith.

Recommend Unification

Interesting to Canadians are the recommendations for unification of all United States railroads, operation by the railways of trucks, ships, etc., state control of highway transportation, and establishment of railway rates without regard to capital values but on a basis of cost of efficient operation plus a reasonable profit.

A summary of the report and its recommendations follows, particular attention being paid to matters that are important in the Canadian railway situation rather than to matters that are primarily internal to the United States problem.

Competition Unnecessary

"Governmental fostering of competition is no longer necessary as a defense against monopoly.

"In earlier development, the railroad franchise created an effective and complete monopoly against which industrial and social segments had no defense. Rigorous governmental control was inevitable. It took two forms:

"First, an effort to foster competition among different railroads and to create and maintain, by federal financial aid, other forms of competing transportation such as waterways;

"Second, an intense regulatory control of the railroads themselves.

"The latter has been practised long enough and sufficiently extended to prove that it dominates competition or any other influence as the governing law of railroad practice.

Regulation is Safeguard

"To the extent that the monopoly inherent in the railroad franchise was a menace, it is of the utmost importance to recognize that current railroad regulation safely controls it.

"Other safeguards have appeared. With increasing effect, new methods of transport are invading customary fields of railroad patronage. On a basis of economic efficiency, independent of government aid, pipe lines, motor transport and airways are all making bids for business which the railroads can retain only by offering equivalent service at competitive rates. In these areas of competition, there is no longer complete monopoly. These two developments — perfection of regulation and appearance of competing methods—have created a new principle, viz:

"In so far as government policies have been designed to create and maintain competition with or among railroads as a defense against monopoly, they should be abandoned as wasteful and unnecessary. Regulation is sufficient.

Fair Regulation

"Regulation should provide a fair field and no favor.

"The railroads complain that they are shackled by regulation while their competitors are free and unduly advantaged by various forms of discrimination in their favor. To the extent that this is true, it is unfair. But it must be equally clear, that, notwithstanding the deep public interest in our railroads, the government cannot stand in the way of progress. Certain regulation of competitive methods is necessary. They cannot be permitted to escape their just tax burdens. They ought not to be artificially advantaged by subsidy or otherwise. But regulation of them must arise from its own necessity and burdens upon them must derive from justice. The government cannot, for the sake of the railroads, invent and apply to their competitors either regulation or burden on the theory upon which horses are handicapped in a race. A similar principle applies to railroads, and to the extent that they are handicapped by burdens for which the reason is obsolete or non-existent, government has a positive duty to remove them. The guiding rule of the whole matter seems to us quite clear:

"With the danger of railroad monopoly going or gone and (whether going or gone) completely controlled by regulation, government has a positive duty to see to it that neither the railroads nor their competitors are either unduly handicapped or unduly advantaged. Thereafter, in a fair field and no favor, economic competition must decide the question of survival under private ownership and operation.

Stay Out of Business

"Regulation should not be abandoned. It should be put on the simple basis of public protection.

"We regard regulation as necessary in the interest of both the railroads and the public and we think that it should be extended to other forms of transportation.

"More care must be taken to maintain managerial initiative. Regulation, whether of railroads or other forms should not attempt to "run the business" of transportation. It should concentrate on protecting the public against discrimination, extortion and other abuses of monopoly and on insuring the most efficient service at the lowest competitive cost.

"If these conclusions on general principles are correct, several changes in policy flow inevitably therefrom, viz:

Duplications Wasteful

"Parallel lines and systems are wasteful and unnecessary. Regional consolidations should be hastened and, where necessary, enforced, looking eventually to a single National system with regional divisions and the elimination of all excess and obsolete lines and equipment.

"The policy of maintaining parallel and competing lines or systems on the theory that thus extortionate rates and discrimination may be restrained is wasteful and, of course untenable under a system which controls rates and practices to the ultimate.

"Unprofitable railroad services should be replaced by cheaper alternative transport methods.

"In view of the rapid development of automotive and other transport, there is no justification for maintenance by railroads of losing services and lines, and there devolves upon regulatory bodies and controlling interests something more than a negative duty to hasten their replacement by alternative methods, such as motor transport, which can render adequate service on a profitable basis in cases where rail transportation can operate only at a loss.

"Railroads should be permitted to own and operate competing services, including water lines, but regulatory jurisdiction should be extended to water rates and practices in coastal, intercoastal and lake shipping to relieve commerce of present chaotic conditions.

Public Canals Unfair

"Government assumption of all or part of the costs of inefficient competing transport as a defense against monopoly is no longer warranted and should be abandoned. As a general principle inland waterways should bear all costs of amortization, interest, maintenance and operation of the facilities for their navigation. If they cannot bear such charges and compete with other forms of transport, they should be abandoned. The St. Lawrence Waterway should be tested by this rule of self-support and if it fails in that test the pending treaty with Canada should not be ratified.

Regulating Automobiles

"Automotive transportation should be put under such regulation as is necessary for public protection. It should bear its fair burden of tax but only on a basis of compensation for public expenditure on its behalf, plus its share of the general tax load.

"The problem of the automobile is very difficult. Its roadbed is provided at public expense and it requires few, if any, terminal or similar facilities. It need not—as must railroads—load any part of its cost of operation with a charge for this construction and maintenance. It can make rates which do not involve charges for depreciation and amortization. It can pay whatever scale of wages and exact whatever hours of labor it can make effective. It can bargain closely and instantly and can walk away with business while the railroads are involved in a prescribed process before their regulating overseers. It is not attached to rails and can furnish a swift door-to-door service which railroads as such cannot even approximate. It may be a common carrier, a contract carrier or a private operator. It need not maintain continuous schedules and service. It can pick its business and is prone to take the cream of the traffic and leave the rest for the railroads, which must receive whatever is tendered. It can be permanently or sporadically in business and competition. With these advantages it has made inroads into railroad business.

"The difficulty is not solely in the amount of tonnage diverted but resides also in the chaotic rate conditions presented to commerce in general and in many new necessities for public protection.

"One thing is certain. Automotive transportation is an advance in the march of progress. It is here to stay. We cannot invent restrictions for the benefit of railroads. We can only apply such regulation and assess such taxes as would be necessary if there were no railroads, and let the effect be what it may.

Fair Share of Taxes

"On the question of whether public financing of roadbeds operates as a subsidy, there is a vast variety of circumstance. The automobile itself, its fuel, lubricants and operations are all heavily taxed. Does the total of these assessments bear its share of the general tax load and also sufficiently reimburse the public expenditure on the roads it uses? If it does, the circumstance that the charge is not comparable in amount to railroad costs of construction and maintenance of terminals and roadbeds is immaterial. The purpose is not to handicap automotive competition, but only to do justice.

"Both taxes and regulation on motor transport vary among the states. In some states automotive vehicles do not bear their full burden of taxes. We think they should pay the carrying charges and cost of maintenance of the highways they use and also their share of the general tax load. The committee believes that the situation requires general federal jurisdiction of motor transport. It recognizes that no such intricacy of regulation as characterizes railroad supervision can ever be extended to this field, but is convinced that a broad measure of federal and uniform state control can and should be applied.

Wages Must Come Down

"The committee believes that a permanent and universal liquidation and downward adjustment of values and incomes of all kinds have occurred in this country and that railroad rates, capital structures, salaries and wages must all respond to this generally changed condition, but that none should be sacrificed for the benefit of others.

"A considerable number of obsolete rules governing overtime, hours constituting days' work, and restrictions on service, survive in the railroad wage structure. The committee does not wish to see labor lose any of its hard-won improvement in conditions, but it believes that the just substance of them can be retained without adherence to obsolete forms, and that labor is as eager as railroads to modernize and simplify the structure of wages and working schedules.

"Beacons,, weather service and similar auxiliaries to air traffic should be maintained at public expense and air transport should be encouraged during its development stage but we believe that every such service should ultimately pay its own way.

"Air service is diverting some traffic from railroads and threatens greater inroads. Here again the railroads are confronted with a development of human progress. It cannot be handicapped in their behalf. The most that they can ask is that it be not unfairly advantaged and, for reasons stated herein, we think that the real railroad remedy against this competition is to enter and help develop it.

Fair Rate Basis

"The policy of trying to appraise railroad properties on some selected basis of valuation and then saying that they are entitled to earn a fair return on this appraisal should be reconsidered. Where competition with trucks and other methods exists, it will determine rates. In other cases rates must be regulated but the basis of costs of operation under efficient management is a better general guide than any attempt to preserve capital structures regardless of economic trends. We see no reason why the rate-making rule should not say in plain English that railroads are entitled to make a reasonable profit based upon costs of efficient operation and that they are not entitled to earnings merely to preserve present structures if overcapitalized.

"Profit is the only incentive to private investment. Unless the railroads are permitted reasonable earnings on the cost of efficient operation, there is no alternative to government ownership and complete socialization of our railroad system. But that does not mean that railroads any more than other industries, are entitled to a guarantee of earnings on their investments in property.

Write Down Capital

"If a railroad cannot earn enough to support its capital structure, the remedy is not to raise rates. It is to revise the structure. And if on no reasonable revision can the capital structure be maintained, it is an economic misfit. Parts of it that cannot live should be abandoned and the rest either set up in a new system or consolidated with other groupings.

"Fixed railroad indebtedness is not commonly retired. It is refunded. It is a universal rule of financing that any debt for purchase of productive facilities should be amortized during the lives of those facilities out of returns from their use. Railroads are not exempt from this well-established principle and rates should be subject to no restriction which controvenes it. A cause contributing to the present crisis is the unwieldy proportion of interest-bearing debt in railroad capitalization, much of it representing facilities long ago scrapped. We distinctly do not believe that past mistakes as represented by present unwieldly debt structures should be salvaged by increased rates. The present debt structure must be revised and losses written off.

Should Improve Selves

"The railroads should do much that they have not done to improve their condition without any government help at all. It has been estimated that less than a 20 per cent increase in traffic would put most of them on an earning basis. In view of the narrowness of this margin of loss and of the very great savings possible in railroad operation, we regard their outlook as far from hopeless.

"A very moderate movement on the upward business spiral would dissipate much of the seeming cloud on the solvency of many railroads.

"Railroads should adopt the competing methods of which they complain.

"Much of the difficulty which the railroads ascribe to automotive and potential air and pipe line competition should and could have been relieved by an alert and aggressive railroad policy. We believe that if the railroads had regarded themselves more accurately as purveyors of transportation rather than as guardians of a monopoly, they would have been more alert to take advantage of every development in their field and that a more progressive policy might have turned to their own distinct advantage the very things they now regard as a burden and a threat.

"Railroads should co-operate to reduce competitive expense.

"Unnecessary services should be abandoned. We think that there has not been sufficient co-operation among the railroads.

Wasteful Services

"The public is familiar with the spectacle of 'crack' passenger trains shuttling back and forth across the country empty or nearly so and perhaps, also, with explanation that this 'is necessary to retain the competitive reputation for service' — in other words, for sales promotion or advertising. The committee believes that agreements in good faith and within the law could relieve this expense. We think empty trains should either be filled by reduced rates or taken out of service. With our whole economic structure at stress, sympathy with such extravagance is difficult.

"Metropolitan terminals should be consolidated and unnecessary facilities scrapped. Terminal expenses constitute an astonishing proportion of railway costs. Great economies, and much improved service, are possible through the use of trucks in terminal areas and further large savings by unification of railway and other terminal facilities. Railroads have insisted on separate terminals in metropolitan areas for purely competitive advantage. The resulting mutiplicity has imposed high costs, poor service, and great waste. This burden upon shippers is indefensible.

"Circuitous haulage should be eliminated. Circuity in haulage to keep traffic on the rails of a single system entails great waste for which the committee can find no sufficient excuse. Until the railroads are willing, by co-operation, to eliminate this kind of waste, it is difficult to share their apprehension of competing methods.

"Transport methods and equipment should be brought up-to-date. It cannot be fairly said that railroad advance in applied science is abreast of that in other industrial fields. For example, the improvements in Germany with stream-lined Diesel and electric trains of very light tonnage maintaining schedules of 96 miles per hour to offset motor transport, has no counterpart here."

No St. Lawrence Waterway Unless It Can Pay Way

"Government assumption of all or part of the costs of inefficient competing transports as a defense against monopoly is no longer warranted and should be abandoned. As a general principle inland waterways should bear all costs of amortization, interest, maintenance and operation of the facilities for their navigation. If they cannot bear such charges and compete with other forms of transport, they should be abandoned.

"The St. Lawrence waterway should be tested by this rule of self-support and if it fails in that test the pending treaty with Canada should not be ratified.

"There are obviously not at present any facilities for navigation, by ocean-going vessels, of the restricted waterways connecting the Great Lakes with each other and with the sea. The project to create such a shipway to the head of Lake Superior is a major engineering project of stupendous magnitude and very great cost. There is diversity of opinion as to whether the project is practicable. It is clear from our studies that the peculiar type of lake bulk-carriers is far more efficient than any ocean-freighter and from this fact that the area of economy is restricted practically to savings in cost of trans-shipment. But our studies also show that, in no reasonable probability, could this minor saving be enough to approximate even the carrying charges on this project.

"In conformity with one of the general principles already announced, if this seaway could be shown to be the march of progress and if cheaper and more efficient transportation can thus be achieved, no barrier should be imposed against such a development. But we think that, before ratification of the pending seaway treaty with Canada, bargaining away valuable American rights, this project should be fairly tested on the rule of self-support and, if it fails, the treaty should not be ratified."—*Extracts from report of Coolidge Railway Committee.*

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News of Investment Markets

ANGLO-CANADIAN SELLS SECURITIES AT 98½ PER CENT

Daily Mirror Purchases £3,230,000 Bonds of Newsprint Company

From Our Own Correspondent

MONTREAL, QUE.—Anglo-Canadian Pulp and Paper Mills has completed plans whereby it will sell £3,230,000 of its 5 per cent debentures to The Daily Mirror Newspapers for £3,180,000 cash or a price of 98½. Contract calls for purchase to be made not later than June 28, 1933.

Under the same plan, which is involved in current financing being undertaken by the Daily Mirror, the Sunday Pictorial Newspapers will also subscribe for £700,000 of the new debentures of Anglo-Canadian at £689,164, or 98-1/3 and will become guarantor of £2,200,000 of 5 per cent debenture stock of Daily Mirror Newspapers recently offered to the public.

The sale of Daily Mirror debenture stock is to reimburse that company for its subscription to debentures of Anglo-Canadian under the above agreement.

Reference to Newsprint

It is significant that the English prospectus for the Mirror debentures states that "owing to the present abnormally low price and unsettled state of the market in newsprint, no account has been taken of any additional revenue which, under normal conditions, would accrue to the company from its proposed investment in the debentures of Anglo-Canadian Pulp and Paper Mills." It is stated that the latter's surplus of assets over liabilities, excluding the guaranteed mortgage debentures of £3,000,000 as shown in the balance sheet at December 31, 1931, was $22,444,968. As at December 28, 1932, it is stated that such surplus remained substantially the same (at Canadian dollar $3.81 to the £) or £5,891,067.

Sunday Pictorial and Daily Mirror jointly guarantee £2,970,000 of Anglo-Canadian 6½ per cent mortgage debentures. Provision has been made for the discharge of these debentures by July 1, 1933, and the release of the guarantees given therefor.

CELTIC KNITTING CO. HAS PROFIT IN 1932

Reduced Bank Loan and Payables — Working Capital Higher

In a difficult year the Celtic Knitting Co. improved earnings sufficiently to turn the loss of $7,895 in 1931 into a net profit of $4,577 in 1932. Bank loan was reduced from $63,500 to $43,500 during the year and accounts payable from $18,339 to $9,339. Inventories, cash, receivables were down somewhat but actual ratio of current assets to current liabilities improved.

INCOME & SURPLUS ACCOUNT
Years Ended December 31

	1932 $	1931 $
Net profit	4,577	†7,895
Less: Reorgan. exp. w/o	1,362	......
Surplus for year	3,215	†7,895
Add: Prev. surplus	†2,193	5,702
Surplus carried forward	1,022	†2,193

†Loss or deficit.

Working Capital

	1932 $	1931 $
Current assets	96,662	121,520
Current liabilities	52,839	81,839
Working capital	43,823	39,681
Ratio	1.82—1	1.48—1

Nesbitt Thomson Co. Send A. H. Gilmour to Toronto

Nesbitt Thomson & Co. announce that A. H. Gilmour, who for the past eight years has been supervisor of branches for the Prairie Provinces with headquarters in Winnipeg, has been transferred to the Toronto office of the company owing to the illness of Arthur Smith, who is supervisor of Ontario branches.

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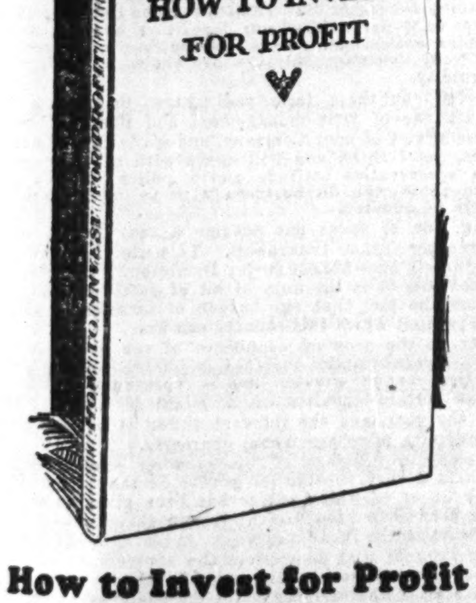
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Willys-Overland Co. (U. S.) In Friendly Receivership

Canadian Company's Operating Position Not Affected —United States Company is Source for Certain Parts — Plans Reorganization

The passing of the Willys-Overland Company into the hands of friendly receivers in the United States does not currently affect the position of Willys-Overland, Ltd., which handles the Canadian business and does some export business as well for Willys-Overland Co., of Toledo, Ohio. It has the exclusive rights for the manufacture and sale in Canada of the Willys-Knight, Whippet and Willys automobiles, but is entirely managed and financed in Canada. Of the $3,000,000 issued stock of $100 par value common stock $2,176,000 was owned by the Willys-Overland Company, the parent company, and $800,000 by Russell Motor Car Co. The Canadian company's chief interest in the situation of the United States company is because it draws certain parts from it, and continuance under a receivership will not affect that so long as bankruptcy does not follow.

Willys-Overland was established in 1916 to take over the vehicle branch of Russell Motor Car Co., and the plant of Willys-Overland Co. of Canada. T. A. Russell is president and general manager, and John N. Willys is chairman of the board.

Sells High, Buys Low

It is recalled that John N. Willys and associates sold most of their common stock holdings in the Willys-Overland Company in July, 1920, for something like $20,000,000. Mr. Willys is now again in active management of his old company and is one of the two temporary receivers for the Willys-Overland organization. Mr. Willys took charge of the company early in 1932 because his preferred stock holdings acquired voting power as a result of dividend omission. Willys-Overland common, now selling at less than $1 a share, was selling at $25 a share in July, 1929.

This is the first receivership of any importance in recent years in the automobile industry despite the severity of the depression and its effect in limiting the purchase of automobiles.

John N. Willys, chairman of Willys-Overland Company, is now in New York trying to effect a reorganization following the appointment of himself and L. A. Miller, president, as the company's receivers, in the United States District Court of Toledo. Powers have been given the receivers to operate the plants and to borrow money to keep them operating.

Willys-Overland is understood to have current obligations of $1,500,000 and a bonded debt of $2,000,000 6½ per cent first mortgage bonds. Receivers say they expect the company to continue making trucks for the International Harvester Co., and they state that assets at a fair value would more than cover liabilities. The company was employing 8,000 workers in the Toledo plant recently.

FANNY FARMER COMMON EARNED $1.02 PER SHARE

Cash Position is Strengthened — Earned $1.44 in 1931

Net earnings of Fanny Farmer Candy Shops, Inc., are reported at $189,724 in 1932 as against $278,722 in 1931 and, after deducting preferred dividends and sinking fund on the preferred shares, earnings equalled $1.02 per share on the 98,602 common shares outstanding as compared with $1.44 earned on 99,576 shares outstanding in 1931. Working capital was further increased and the number of preferred shares outstanding was reduced by 382 to a total of 15,375 shares. The record of earnings evidences substantial improvement in profit in the latter part of the year after price reductions were placed in effect in most of the company's stores which are located in the United States.

The income and surplus account of the company is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1932 $	1931 $
Total sales	......	3,517,879
Less: Oper. exp., costs, deprec., etc.	......	3,239,157
Net earnings	189,724	278,722
Less: Tax reserve	42,000	46,000
Net profit	147,724	232,722
Less appropriations:		
Pref. sink. fund	9,764	50,138
Pref. divds.	36,919	39,267
Com. divds.	49,498	99,879
Co's. pref. shs. purch.*	......	10,102
Com. shs. purch.†	7,792	4,210
Surplus for year	43,751	29,126
Add: Prev. surplus	1,282,344	1,324,955
Less: Prov. for deprec. of secs.	......	71,737
Bal. carried for'd.	1,326,095	1,282,344

*382 shares in 1932; 329 shares in 1931.
†974 shares in 1932; 428 1-3 shares in 1931.

As is the case with Laura Secord Candy Shops, Fanny Farmer Candy, under practically the same management, shows a strong liquid position. Cash has been increased to $408,975 from $259,536; government and municipal bonds are somewhat higher at $626,366 while inventories are down to $165,516 from $193,492. While accounts payable are higher at $23,057, reduction in the ratio of current assets to current liabilities is chiefly due to inclusion of dividends payable January 4, which amounted to $33,876. Working capital position is as follows:

Working Capital

	1932 $	1931 $
Current assets	1,218,673	1,076,097
Current liabs.	98,933	61,098
Working capital	1,119,740	1,014,999
Ratio	12.31—1	17.61—1

CHARLES GURD PROFITS DECLINE, EARNS PREFERRED

Deficit of $64,005 After Common Dividends

From Our Own Correspondent

MONTREAL, QUE.—Net profit of Charles Gurd and Co., in 1932, after charges, was sufficient to cover preferred dividend requirements of $18,200 by a margin of $7,995 or the equivalent of 13.32 cents a share on the 60,000 shares of common. Common dividends amounting to $1.20 a share were paid during the year leaving a deficit of $64,005. In the previous year profits were $136,550 or the equivalent of $1.97 a share on the common after preferred dividends.

Surplus at the end of 1932 was $207,797 down from $274,119. Directors, the report states, do not feel that surplus reserves should be further reduced indicating that further payments on the common will be omitted. The last payment was a quarterly disbursement of 15 cents a share paid in January.

Profit and Loss

Following is a comparison of profit and loss for the past two years:

	1932 $	1931 $
Net profit	26,195	136,550
Less: Preferred divds.	18,200	18,550
Common divds.	72,000	120,000
Surplus for year	*64,005	*2,000
Add prev. surp.	‡271,802	‡276,119
Bal. forward	207,797	274,119

*Deficit. ‡Adjusted.

Working Capital

	1932 $	1931 $
Curr. assets	283,159	345,188
Curr. liabilities	29,714	40,149
Working capital	253,445	305,039

Call Loans Dropped

Reduction in current assets is due to a decline of $3,000 in cash which totals $7,746; elimination of a former guaranteed call loan of $35,000 and a reduction of $19,000 in accounts receivable which total $106,680. Inventories are higher by $4,000 at $168,733. Investments show a gain of $11,000 at $59,303 and goodwill is unchanged at $250,000.

In liabilities, accounts payable are up $5,000 at $23,844 and a former reserve of $21,177 for taxes has been reduced to $5,869. Capital structure is unchanged, no preferred stock having been redeemed during the year. There is $260,000 of 7 per cent preferred outstanding and 60,000 shares of common.

Plan Oyster Canning Industry

Although Canada's oyster production is ordinarily put upon the market in the fresh form, some canning operations on an experimental scale have recently been undertaken in British Columbia, one of the four oyster-yielding provinces of the Dominion.

McD. & C. HOLDINGS REPORTS PROGRESS SINCE INCEPTION

Statement Shows Total Assets Amounting to $6,093,374

From Our Own Correspondent

MONTREAL, QUE.—Containing an exhaustive analysis of the company's position, the first statement of McD. & C. Holdings Ltd., whose shareholders comprise creditors of the bankrupt brokerage firm of McDougall and Cowans, has been made public. The report, which covers a period to the end of 1932, shows total revenue of $50,743 of which $19,542 represents participation in profits of McDougall and Cowans. Expenses were $32,595 leaving $18,148 to be carried to surplus which now totals $1,347,064.

Features of the balance sheet are amounts receivable of $4,540,329 after deduction of receipts and amounts written off as irrecoverable; securities still held unliquidated by secured and partly secured creditors of $1,121,841, with an apparent equity of $264,179, and securities of $990,286. Total assets are $6,093,374.

Liabilities include certificates of indebtedness due February 1, 1939, of $4,519,294 and the authorized share capital of 41,403 shares issued to creditors.

Details of Statement

Following is the statement of assets and liabilities of McD. & C. Holdings at December 31, 1932.

ASSETS

Cash at bank, on deposit, and in hand		$ 14,547
Securities		990,286
Life insurance policies, net cash surrender value		86,795
Accounts receivable:—		
Arising from the sale of assets, etc.	$59,658	
Balance of amounts due to the bankrupt estate after deduction of receipts and amounts written off as irrecoverable	$4,540,329	4,599,988
Montreal Stock Exchange and Curb Market seats		137,000
Real estate		264,185
Works of art, furniture, furnishings, automobiles, etc.		50,573
Securities still held unliquidated by secured and partly secured creditors (at prices used in preparation of statement of affairs at October 5, 1931)	$1,121,481	
Less: Balance of loans outstanding together with accrued interest, against which these securities are held as collateral	857,662	
Apparent equity	$ 264,179	
Reserve provided out of surplus account, owing to present depreciated value of secs.	$ 264,179	
		$6,093,374

LIABILITIES

Share capital:		
Authorized—60,000 shares of no par value.		
Issued—7 shares on which there has been paid .. $500 41,396 shares issued to creditors of McDougall & Cowans in bankruptcy in accordance with the scheme of arrangement 41,403.		$ 500
Privileged claims admitted, payable in full		728
Reserve for amounts received subject to claims		4,588
Certificates of indebtedness:		
Issued and outstanding, due 1st Feb., 1939	$4,519,295	
Reserve for unissued certs. in respects of claims (at the amount for which appear prima-facie valid)	221,204	4,740,499
Surplus account:		
Representing the excess of the book value of the assets over liabilities		1,347,064
		$6,093,374

Balances Are Explained

The balance of $4,540,329 due to the bankrupt estate is explained by B. B. Stevenson, president of the company as follows:

"This figure represents the balance of the debts due to the bankrupt estate, as at December 31, 1932, after deducting amounts received from the debtors and the various adjustments to, and the balances written off as irrecoverable from those accounts which were finally settled prior to that date. The value of these debts at December 31, 1932, was indeterminate but it is probable that a further very substantial portion therof will have to be written off ultimately. The balance at December 31, 1932, shows a reduction of $867,979.67 as compared with that shown on the Statement of Assets handed over to your company by the trustee in March, 1932.

"This reduction is made up approximately as follows:

Cash received on account of debts	$102,000
Securities received in part satisfaction of debts	6,000
Offset against balances of unsecured creditors	69,000
Adjusted in settlement with relatives of former partners	6,000
Written off as irrecoverable	687,000
	$870,000
Less:—Value of securities delivered against payment	2,000
	$868,000

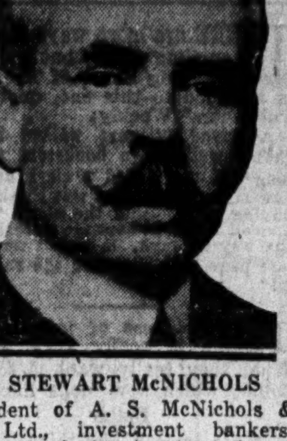
Valuation of Securities

Regarding securities valued at $990,286 listed among assets it is pointed out that securities remaining on hand throughout the period of the company's existence and those received from secured creditors after payment of amounts owing them, have been valued at prices allowed to unsecured creditors at the time of the firm's failure. Securities subsequently acquired are included at cost. It is pointed out that an accurate valuation of a number of these securities at December 31, 1932, was not possible owing to limited market. Included in the whole total there are securities with a book value of $770,276 having a fairly free market. At year end quotations market values of these was $520,099 a depreciation of 33 per cent.

In his remarks to shareholders, B. B. Stevenson, president of the company, points out that the most important matter that has not yet been settled concerns claims between the company, the Anglo-American Trust Co. and their bankers. Although McD. & C. Holdings holds half the issued share capital of the Anglo-American Trust there is a possibility that it is indebted to that company as a result of business transacted by the bankrupt firm. The situation is complicated but negotiations are under way to settle the matter amicably. Directors hope they will result in a considerable equity accruing to the company.

Another point is the fact that following examinations of the partners of the bankrupt firm, certain claims were made against relatives of the partners. Settlements were finally consummated and resulted in addition to the book value of the company's assets and elimination of liabilities together amounting to $140,329 as shown in surplus account.

'Elected President



A. STEWART McNICHOLS
President of A. S. McNichols & Co. Ltd., investment bankers, Montreal, who has just been elected president of Lake St. John Power & Paper Co. Ltd.

DETROIT TUNNEL GROSS EARNINGS SHOW 27 P. C. CUT

Operating Expense is Reduced 40 p. c. But Deficit is Larger

Gross earnings of Detroit & Canada Tunnel Co. dropped 27 per cent in 1932 to $656,281, a reduction of $245,000 from 1931 gross while operating expenses were cut $228,000 or 40 per cent so that net income from operations shows no substantial reduction. The entire loss for the year of $861,054 is substantially lower due to the decreased provision for bond interest, the $8,500,000 of 6 per cent bonds having gone in default on interest due May 1, 1932, while interest due November 1, 1931, on the $8,491,000 of 6½ per cent debentures was not paid.

The income account of the company shows that provision is being made for depreciation and amortization charges. Comparison with operations in 1931 is as follows:

CONSOLIDATED INCOME ACCOUNT
Years Ended Dec. 31

	1932 $	1931 $
Gross earnings	656,281	901,989
Less: Oper. expenses	339,700	568,462
Taxes	213,116	205,581
	103,465	127,996
Less: Prov. loss on currency	12,995	......
General	......	22,322
Bond interest	368,211	1,061,915
Amort. of disc. and exp.	114,101	114,199
Depreciation	243,356	242,812
Amort. of land, etc.	225,856	225,427
Net income	861,054	1,538,679
Prev. deficit	1,772,138	233,459
Deficit carried for'd.	2,633,192	1,772,138

*Loss.

Cash position is improved to $185,165 from $57,017 and current assets total $193,292. Accrued taxes are shown at $58,560 and other accounts payable incurred by the receiver are shown at $19,640. Liabilities incurred prior to the company going into receivership on April 30, 1932, are listed at $1,070,749, which is slightly higher than the total of current assets at December 31, 1931.

Unamortized bond discount and expenses have been reduced to $1,377,509 from $1,491,610. Plant, property rights, franchises, etc., are carried at $22,247,788. Reserves for depreciation of property and for amortization of land, rights and franchises have been increased to $1,011,721 from $468,239. There is no change in funded debt outstanding but no provision has been made for bond interest accrued since April 30, 1932. The 2,251,125 shares of common stock are carried at $7,316,156 from which can be deducted a deficit of $2,633,193.

Clifton Con. Mines Plans Reorganizing

Clifton Consolidated Mines, inactive since 1925, is again showing signs of life and has called annual meeting of shareholders to be held in Toronto, February 24, to approve of a reorganization of the capital structure.

The present authorized capitalization of $2,000,000 is to be reduced to $200,000 and shareholders given one new share for each ten shares held. The capitalization is then to be increased to $1,800,000 to provide treasury shares for further financing.

The company has a gold property in Tisdale township, Porcupine area, Ontario, which was equipped with a 50 ton mill. It also held a silver property in the South Lorrain area and recently is reported to have acquired some claims in the new Swayze gold area.

CALL ON STOCK NETS $262,000 TO EMPIRE LIFE

Company's Position Improved in 1932 by New Money

New business issued of $2,547,000; a gain in total assets and a strengthening of policyholders' position by reason of a 10 per cent call on shareholders are features of the 10th annual report of Empire Life Insurance Co.

Total business in force at the end of 1932 is reported at $17,045,000 against $18,247,000 at the end of the previous year. In 1931 the company issued $3,431,000 of new insurance.

Call Nets $262,000

Chief feature of the company's balance sheet and income account was the improvement which has resulted from the call on shareholders made in 1932. Moneys received in this way totalled $261,980. If all shareholders had responded to the call approximately $363,000 would have been collected. Failure to meet the call caused forfeiture of the shares and in comparison with last year's statement reveals that approximately 5,600 shares of what were formerly 15 per cent paid up shares have disappeared and 4,500 shares of 10 per cent stock.

Accordingly policyholders surplus has been increased from $251,949 to $488,344 as at the end of 1932 while capital impairment has dropped from $241,000 to $135,000. Assets now stand at $2,354,000 an increase of $340,000. The increase has been in purchases of sound government and municipal bonds, exclusively, the report states.

Comparative figures for the past two years follow:

	1932 $	1931 $
New Business		
New ins. issued	2,546,902	3,430,655
Bus. in force	17,044,918	18,246,292
Income and Disbursements		
Net prem inc.	482,602	527,239
Int., div. & rents	83,859	89,419
Cap. stock a/c	201,980	2,464
Total receipts	836,442	630,523
Payments to p'holders	165,809	104,702
Assets and Liabilities		
Stocks	778,382	780,984
Bonds and debs.	625,712	438,598
Mortgages	459,953	487,736
Total assets	2,353,794	2,018,530
Policy reserves	1,825,575	1,592,088
P'holders surp.	488,344	251,949
Capital debit	135,016	240,951

MAY PLACE TAX ON REFINED SUGAR REPORTS STATE

Refiners Disclaim Knowledge of Rumored Plan at Ottawa

From Our Own Correspondent

MONTREAL. — Sugar refiners throw no light on the recent report that Ottawa is contemplating an excise tax on refined sugar. The report, observers say, has made its appearance periodically in the past few years but the possibility of such a tax this year is not denied. Any official word on the subject is lacking; Canadian Grocer suggests the possibility of a 25 cent tax per cwt.

In the past two years the sugar refining industry has enjoyed a certain prosperity due largely to application of dumping duties on imported refined sugar as well as to low operating costs of the Canadian companies. Earnings tended to show increases and disbursements on preferred shares of both Atlantic Sugar Refineries Co. and Acadia Sugar Refining Co. have been made for the first time in the past decade.

Imports Drop Sharply

Imports of refined sugar declined precipitately after the dumping duty was placed in effect and for 1932 were 3,786,000 pounds compared with 20,704,000 pounds in the previous year. The dump duty rules that imported refined sugar must enter for duty purposes at $2.30 per cwt. which together with $1.89 freight, excise, exchange, etc. brings the price to a level which does not allow it to compete with the Canadian product. Imports from Cuba were never very substantial in volume but the fact that they set the price for the Canadian market made them a source of worry to the Canadian refiner.

There has never been a sales tax on sugar. Canadian Grocer attributes this to the fact that there was none on maple syrup or sugar nor on honey or corn syrup. It was felt that the government could not apply the tax to honey and maple products since it would make many farmers tax collectors and would lead to political problems.

Effect of an excise tax on refined sugar is not expected to affect the position of the leading refining companies to any appreciable degree. So long as they enjoy protection a small tax would make but a slight difference in the cost to the consumer and would not have to be absorbed by the refiner.

On the basis of Canadian consumption of 9,000,000 cwt. a 25 cent tax per cwt. would net the government in the region of $2,500,000 annually. The government is casting round for possible sources of income and it may be that the sugar industry offer a suitable medium for supplying some national revenue. At the present time there is an import tax of 3 per cent on all raw sugar entering Canada.

Refined sugar prices have turned downward in recent weeks. Selling at $4.50 at the beginning of the year prices dropped to $4.40 and a short time ago hit $4.30 per cwt.

Buy Dominions Heavily

Canadian refiners bought Dominion sugars heavily during 1932 as opposed to purchases from Colonial sources since they were able to make commitments in the Dominions on a better basis.

J. A. Herbert Opens Office

MONTREAL.—J. A. Herbert and Co., mining broker, has opened an office with a direct wire to Coulter and Co., members of the Standard Stock and Mining Exchange. Mr. Herbert has been connected with Montreal and New York brokerage firms for the past eight years.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Can. West. Nat. Gas	5%	1936	June 15	105
Toronto Conservatory of Music	*5%	....	Mar. 1	103
Amer. Salesbook	†6%	1939	Apr. 1	103½

*$5,000.
†Called in part.

Export Salmon By B. C. Packers Dropped in 1932

British Columbia Packers financial statement for the year ending February 28, 1933, will deal with a year in which the pack was smaller and sales not large enough to maintain the increasing volume shown in the preceding three years. It has nevertheless already been intimated in dispatches to The Financial Post from Vancouver that economies made in every department of the company, and care taken to produce only what the company felt it would be sure to sell, may allow it to show a much improved financial situation. During three years it has been reducing its bank loans. These were down to $464,000 in the last balance sheet and will be very much lower in the forthcoming statement. It is even suggested that the company may break even for the coming year as compared with recent deficits.

The company in 1932 only packed about one-third of the total British Columbia pack whereas usually it packs about 50 per cent of the total. The total was 1,081,031 cases and the company's portion of the pack is reported at 354,551 cases, 15 per cent less than the year before.

The principal decline for the whole industry is in export sales. In the calendar year 1931 canned salmon exports were 410,307 cwt. valued at $5,909,948 and in 1932 exports were down to 376,235 cwt. worth $4,467,596. The United Kingdom, by reason of Russian and Japanese salmon exports, took less Canadian salmon. It imported 197,190 cwt. worth $3,778,008 in 1931 and provided $2,523,091 for 139,778 cwt. in 1932. United States, which is a producing nation itself, took only 41 cwt. for $804 in 1931, but because of the advantage given the Canadian exporter by the premium on the United States dollar it took 38,703 cwt. worth $210,298 in 1932. Exports to foreign markets outside of the British Isles and the United States were $2,131,136 in 1931 and $1,734,207 in 1932. Japs are trying to get into the United States market because of the temporary advantage given by the much depreciated year.

Thrift Stores' Volume Gains in Current Year

From Our Own Correspondent

MONTREAL. — Thrift Stores Ltd., operating a chain of grocery units in Montreal will close its fiscal year March 31 with dollar sales higher than in the previous year but net profits are expected to show a reduction. Actual volume of merchandise handled during the past 11 months is stated to be well in excess of the same period a year ago but the decline in commodity prices has worked against dollar sales.

Dividends on the first and second preferred shares of which there are $350,000 6½ per cent and $120,000 7 per cent respectively outstanding have already been earned and a surplus applicable to the common stock is anticipated. Last year profits were equal to $1.91 a share on the 20,000 shares of no par common after senior dividends.

Opens Seven Stores

During the year 7 new stores have been opened bringing the total in operation up to 71. When the company was formed in 1929 it comprised 31 retail grocery stores.

For some months past the company has attracted considerable business through selling milk at prices below those of leading distributors. Recently the company adopted the sale of low priced bread.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1933, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 1st day of April, 1933, to shareholders of record of the 20th March, 1933.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 16th February, 1933.

Lake Shore Mines, Limited

(No Personal Liability)

DIVIDEND No. 52

Notice is hereby given that a quarterly dividend of fifty per cent, on the issued capital stock of the Company, will be paid on the fifteenth day of March, 1933, to shareholders of record at the close of business on the first day of March, 1933.

By order of the Board.

KIRKLAND SECURITIES, LIMITED,
Secretary.

Dated at Kirkland Lake, Ontario, February 15th, 1933.

NOTICE

Imperial Tobacco Company of Canada Limited

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Ordinary General Meeting of the Shareholders of Imperial Tobacco Company of Canada, Limited, will be held at the Company's Offices, No. 3810 St. Antoine Street, Montreal, on Tuesday, the Fourteenth day of March, 1933, at eleven o'clock in the forenoon.

The Shareholders are given further notice that the said General Meeting will be special for the purpose of considering and, if thought fit, confirming certain amendments to the Company's By-Laws made by the Directors on the Third day of January, 1933, and the Seventeenth day of February, 1933, to the following effect:

1. To enact By-law 82A to authorize the election of a Chairman who shall preside at all Meetings of Shareholders and Directors.
2. To amend By-Law 83 so as to enable the Directors to fill any vacancy in the office of Chairman.
3. To amend By-Law 22 to provide that share certificates may be signed by the Chairman as well as by those now authorized.
4. To repeal By-Law "A" and enact By-Law 68A to reduce the Board of Directors of the Company from fifteen to twelve.
5. To repeal and re-enact By-Law 73 to provide that Six Directors are to retire and be replaced at each Annual General Meeting.

The Register of Transfers will be closed from March 2nd to March 14th, 1933, both days inclusive.

Dated at Montreal, this 17th day of February, 1933.

By Order of the Board.

F. P. L. LANE,
Secretary.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 184

Notice is hereby given that a dividend of Two and one-half per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 28th February, 1933, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st March next, to shareholders of record at the close of business on the 31st January, 1933. The Transfer Books will not be closed.

By Order of the Board,

S. H. LOGAN
General Manager.

Toronto, 20th January, 1933.

International Proprietaries Limited.

DIVIDEND NOTICE.

Notice is hereby given that a quarterly dividend of sixty-five cents (65c) per share, and a participation dividend of such an amount in Sterling as will pay Five Cents (5c) per share, has been declared on the issued and outstanding Class "A" shares of this Company, payable on the 15th day of March, 1933, to shareholders of record at the close of business on the 25th day of February, 1933.

By order of the Board.

J. H. SPENCE,
Secretary.

Toronto, February 14th, 1933.

DIVIDEND No. 22

HIRAM WALKER-GOODERHAM & WORTS LIMITED

Controlling and Operating
Hiram Walker & Sons, Limited
Gooderham & Worts, Limited
Distillers & Bottlers in Bond

NOTICE is hereby given that quarterly dividend (No. 22) of twenty-five (25c) cents a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Capital Stock of this Company.

This dividend is payable March 15, 1933, to shareholders of record at close of business February 24.

By order of the Board,

FLETCHER RUARK,
Secretary and Treasurer.

Walkerville, Can., February 9, 1933.

The Consolidated Mining and Smelting Company of Canada, Limited

Dividend No. 56

Notice is hereby given that a Dividend of one share for every ten shares of the Capital Stock of the Company outstanding on the 31st day of December, 1932, in respect of the twelve months period ending December 31st, 1932, has this day been declared payable on the 1st March, 1933, to shareholders of record at the close of business on the 12th day of January, 1933.

By order of the Board.

J. E. RILEY,
Secretary.

Montreal, February 14, 1933.

The Montreal Cottons Limited

Notice is hereby given that a quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of seven per cent (7%) per annum, has been declared upon the Preferred Stock of the Company, and payable to all shareholders of record February 28th, 1933, and that cheques will be mailed to them on the 15th day of March, 1933.

By Order of the Board.

HUGH A. WILSON,
Secretary-Treasurer.

The British American Oil Company Limited

Dividend Notice

NOTICE is hereby given that the regular dividend of Twenty Cents (20c) per share has been declared on the issued NO PAR Value capital stock of the Company for the first quarter ending March 31st, 1933. The above dividend is payable, in Canadian funds, April 1st, 1933, to Shareholders of record at the close of business on the 18th day of March, 1933. Transfer Books will be closed from the 20th to the 31st of March, both days inclusive.

Share Warrant Holders will present Coupons Serial No. 12 to The Royal Bank of Canada, Toronto, Ontario, or The Royal Bank of Canada, Montreal, Quebec, on or after April 1st, 1933.

By Order of the Board.

P. W. BINNS,
Secretary.

Dated at Toronto, Feb. 15th, 1933.

International Petroleum Company, Limited

Notice of Dividend No. 36

NOTICE is hereby given that a dividend of 25c. United States Currency per share has been declared, and that the same will be payable on or after the 15th day of March, 1933, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of coupons No. 36 at the
City Bank Farmers Trust Company,
22 William St., New York, N.Y.

The payment to Shareholders of record at the close of business on the 28th day of February, 1933, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 14th day of March, 1933.

The transfer books will be closed from the 1st day of March to 15th day of March, 1933, inclusive, and no Bearer Share Warrants will be "split" during that period.

By order of the Board,

J. R. CLARKE,
Secretary.

56 Church Street, Toronto 2, Canada,
15th February 1933.

Note: Coupons may also be redeemed at any Branch of the Royal Bank of Canada, in Canada, at the current buying rate for demand exchange on New York.

Imperial Tobacco Company of Canada Limited

DIVIDEND

NOTICE IS HEREBY GIVEN that the Directors recommend to the Shareholders that a Final Dividend (No. 101) of three and one-half per cent (3½%) on the paid-up Ordinary Shares of the Company for the year ended December 31st, 1932, be declared at the Ordinary General Meeting of Shareholders to be held on Tuesday, the 14th day of March, 1933, payable on the 31st day of March to shareholders of record at the close of business on Wednesday, the 1st day of March, 1933.

That an Interim Dividend (No. 102) of one and three-quarters per cent (1¾%) on the paid-up Ordinary Shares of the Company has been declared payable on the 31st day of March, 1933 to shareholders of record at the close of business on Wednesday, the 1st day of March, 1933.

That a Semi-Annual Dividend (No. 42) of three per cent (3%) Sterling on the paid-up Preference Shares of the Company has been declared payable on the 31st day of March, 1933, to shareholders of record at the close of business on Wednesday, the 1st day of March, 1933.

By Order of the Board,

F. P. L. LANE,
Secretary.

Montreal, P.Q.
17th February, 1933.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1931 $	Curr. divid. $	Balance crr. fwd. 1932 $	Balance crr. fwd. 1931 $	Mkt.	Mkt. times earn.	Yield %
Dominion Foundries	Dec. 31	877	123,658	...	1.81	...	743,290	787,807	...	...	...
London & Can. Investment	Dec. 31	*2,951	167,319	...	...	...	212,128	215,079	...	...	...
Royal Trust	Dec. 31	393,887	483,655	3.94	4.87	3.20	534,360	472,978	...	...	...
Northern Telephone	Dec. 31	28,733	23,526	0.08	0.06	7%	52,446	46,877	...	...	...
Premier Trust	Dec. 31	16,586	11,319	6.3	5.7	6	1,281	1,092	...	...	...
Mortgage Corp. of N.S.	Dec. 31	73,214	76,050	10.76	11.18	7	185	3,571	...	...	...
London & Western Trusts	Dec. 31	49,143	108,872	4.4	9.2	5	3,308	5,455	...	...	...
Goodyear Tire	Dec. 31	717,758	1,450,011	1.62	§8.24	5	7,250,422	7,665,562	47	29	10.6
Burt, F. N.	Dec. 31	179,606	286,786	1.68	2.62	2	1,047,998	1,146,910	22	13.5	9.2
Landed Banking & Loan	Dec. 31	78,792	92,202	7.87	9.22	8	13,728	14,235	...	...	...
Victoria Trust & Savings	Dec. 31	99,351	119,284	12.26	14.83	10	3,766	10,416	...	...	...
Eastern Canada Savings	Dec. 31	82,841	99,295	11.04	18.23	8	743	903	...	...	...
Celtic Knitting	Dec. 31	3,215	*7,895	...	...	...	1,022	†2,193	...	...	...
Wright-Hargreaves	Dec. 31	1,778,203	1,182,437	0.32	0.21	10+5c	2,339,461	1,671,080	4.70	...	3.19
Midland Properties	Dec. 31	*14,471	*24,308	...	...	...	8,028	17,499	...	...	...
General Trust	Dec. 31	85,574	99,675	...	...	...	161,537	141,968	...	...	...
Woods Manufacturing	Dec. 31	46,756	*171,267	...	...	...	247,347	200,591	...	...	...
Standard Clay	Dec. 31	*59,534	84,030	...	11.20	2	98,488	190,059	...	...	...
Imperial Tobacco	Dec. 31	5,471,175	5,914,079	0.54	0.58	35c	7,875,059	7,763,000	...	...	...
Ottawa Electric	Dec. 31	31,881	85,946	0.90	2.44	...	452,688	420,857	...	...	...
N. B. Telephone	Dec. 31	302,329	333,848	0.58	0.63	50c	60,244	61,669	...	...	...
Mercury Mills	Dec. 31	*380,682	*508,086	...	...	...	†74,996	†282,082	...	...	...
Detroit International Bridge	Dec. 31	‡*65,021	‡55,539	...	...	...	......	......	...	...	...
Falconbridge Nickel	Dec. 31	762,420	......	0.24	...	...	382,509	......	2.35	...	...
Detroit & Canada Tunnel	Dec. 31	*861,054	......	...	...	...	†2,633,192	......	...	...	...
Fanny Farmer	Dec. 31	147,724	282,722	1.02	1.44	25c	1,326,095	1,282,344	10	9.8	...

*Loss. †Deficit. ‡Before interest, depreciation, etc. §For 15 months.

THE FINANCIAL POST

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President—JOHN BAYNE MACLEAN
Vice-President—HORACE T. HUNTER
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ADVERTISING RATES
Single Insertion—$3.65 per inch.
Debenture and Dividend Notices—26c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5.00 per year; all other countries, $6.00.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
143 University Ave., Toronto 2

MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor. GT. BRITAIN, London, The MacLean Co. of Great Britain, Ltd., 2, 3 and 4 Cockspur St., London, S.W. 1, E. J. Dodd, Director, Telegraphic address, Atabek, Lesquare, London.

THE FINANCIAL POST BUSINESS YEAR BOOK. Yearly, $2.
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TORONTO, FEBRUARY 25, 1933

WAKING UP TO COST OF FREE CANALS

THE recent discussion in the House of Commons on the canals of Canada, during which four of the best-known members urged that tolls be charged on these waterways, was the first attention this important subject has received in Parliament for many, many years. It was the direct result of the facts that The Financial Post has brought out concerning the essential inequality of our present system. Free canals are unfair to railways and other highly taxed systems of transportation. Free canals are unfair to Canadian shippers since they pay heavy tolls for using the Panama Canal while American ships use our canals free of charge. True, we use the United States canals along the international boundary without charge but the mere fact that the United States has agreed to pay the larger share of the international section of the St. Lawrence indicates that we have for many years borne an unfairly high share of the burden of maintaining these canals.

Replying to the suggestions that tolls be charged, Hon. Dr. R. J. Manion, minister of railways and canals, said that any change in the arrangement would have to be by arrangement with the United States and it is possible that the United States would not agree to a change. However, he did not care to commit himself as the question had not come before the government in a definite manner.

This was a rather feeble reply to come from a cabinet minister. It was unlike the forceful and definite views usually expressed by Dr. Manion.

Now that Canada is struggling with its national finances and its national transportation problem, a reform promising to contribute to the solution of both of them is one to which the government might give the serious consideration urged in the House by Messrs. Ian Mackenzie, W. D. Euler, Thomas Cantley and James Malcolm.

The Coolidge railway committee, which has just reported in the United States, has this to say about free canals:

> "As a general principle, inland waterways should bear all costs of amortization, interest, maintenance and operation of the facilities for navigation. If they cannot bear such charges and compete with other forms of transport, they should be abandoned. The St. Lawrence Waterways should be tested by this rule of self-support, and if it failed in that test the pending treaty with Canada should not be ratified. Government commercial operations of the actual facilities of transportation, such as barge lines, should not be continued."

NEW LIFE FOR A GREAT INDUSTRY

THE Canadian construction industry and such affiliated groups as architects, building supply manufacturers, union workers, etc., have banded together to form a National Construction Council of Canada. In their programme provision is made for a large measure of self-help in the form of surveys of the realty and construction market, studies of the loan situation, examination into the defects of real estate mortgage bonds, etc. The new council has such a large field of useful service open to it that its most difficult task will be to find the primary points of attack upon their problem, which is, immediately at least, to attempt to revive their now almost idle industry. To the extent that they achieve success they will contribute to general business recovery in Canada.

Some of the resolutions passed at the industry's recent conference in Toronto would leave the impression that they are seeking first of all federal government aid to start construction going again. They have suggested a federal scheme of public works and federal assistance in financing other construction activity.

With the main effort in government circles at the present time directed toward balancing budgets and with the disproportionate cost of relief construction work in the past two years still fresh in the memory of officials it seems unlikely that any willingness to co-operate in a financial way will be displayed by governments.

Add to this the fact that as Prof. **H. M. Cassidy**, of the University of Toronto, who made an extensive study of relief construction work in Ontario, stated in an address in Toronto in May of last year:

> "If public work schemes are to be effective in a period such as this one they must be planned well in advance during prosperity, so that the three great problems which have been experienced in Ontario, shortage of useful undertakings, excessive cost, and difficulties of finance, may be overcome."

If the new council would bring their large influence to bear upon governments to put their financial houses in order and balance all public budgets they would aid in restoring the conditions under which construction activity will be resumed in Canada.

The National Construction Council, it is hoped, is regarded by its sponsors as a permanent rather than an emergency body. There will always be good work for them to do but their finest efforts will be those based upon self-reliance and individual initiative. The construction industry can not find permanent prosperity in public squandering.

RUINING ENTERPRISE AT PUBLIC EXPENSE

WINNIPEG city is drafting legislation to permit it to go into the business of operating buses in competition with the privately-owned Winnipeg Electric Company which is carrying the heavy burden of providing Winnipeg citizens with profitless transportation. What some members at least of the council hope will be the result of such a move is shown by this statement made at a committee meeting by one alderman:

> "If we operated buses, we could let the company's roads lie in bankruptcy and acquire it at a better price later."

Investors will not be encouraged to believe in the good faith or fairness of the city of Winnipeg when aldermen embark upon speculative business enterprises with the city's money, and do so with the intention of bankrupting a private company so that the city can buy its assets as so much junk.

Vicious schemes of this character not only ruin the credit of cities but they drive taxpayers to desperation.

In such policies as this, the crisis level of taxation in Canada finds the stimulus and substance for its growth.

FREIGHT RATES

ON THE question of "Maritime Rights" the answer to a question in the House of Commons the other day was interesting. Question and answer read as follows:

Mr. Coote:
1. What is the existing freight rate on grain for export from Georgian Bay ports to Saint John or Halifax?
2. What is the approximate mileage from Georgian Bay ports to: (a) Saint John; (b) Halifax?
3. What is the existing export rate on grain from Calgary to Vancouver?
4. What is the mileage from Calgary to Vancouver?

Mr. Manion:
1. 15.17 cents per 100 pounds.
2. (a) 836 miles; (b) 1,208 miles.
3. 20 cents per 100 pounds.
4. 642 miles.

During the summer months the Georgian Bay to Maritime ports rate was only two-thirds of that given above. Erie Canal competition fixed that rate.

But on the winter rate it costs 9 cents to carry a bushel of grain 1,200 miles to Halifax; 12 cents to carry it half that distance in the West.

The man who tries to reconcile different freight rates on a basis of so many cents per ton per mile is headed for the asylum. It can not be done. Competitive forms of transport are the chief factor influencing freight rates on railways. In fixing these seemingly unequal rates, the Great Lakes and the St. Lawrence are more important than the Rocky Mountains.

IMPORTANT REPORT ON U. S. RAILWAYS

THE Coolidge-Smith committee report on railway transportation in the United States may so influence the railway policy on this continent as to have a distinct bearing on Canadian development. The committee was appointed by a group of American insurance companies, who are large holders of railway bonds.

The report may be briefed as follows:

> Parallel lines are wasteful and unnecessary. Consolidations should proceed until the United States has only one railroad with regional divisions.
>
> Governments should regulate railways for public protection but not try to run them.
>
> Unprofitable railway services should be replaced by cheaper transport methods. Railways should be permitted to go into these competitive services—even water transportation.
>
> Inland waterways should pay their own way.
>
> Government fostering of competition is no defense against monopoly.
>
> Auto transport should be regulated and pay its own way but should not be unfairly regulated simply to aid the railways.
>
> Railway rates will be fixed in many areas by competition from other forms of transport but generally rates should be based upon costs of efficient operation without regard for capitalizations.

The United States has a railway problem just as Canada has. It does not, however, touch the federal treasury with the same intimacy.

What the powerful Coolidge committee found after four months investigation may help us in our own problems.

MORE BIG TAXPAYERS

MANY people were surprised when they saw the income tax figures for the Canadian government fiscal year 1931-32 that were published in The Financial Post last week. These figures showed that while the number of people paying taxes on incomes below $30,000 declined very considerably, the number of people paying income taxes on incomes of $30,000 or more showed an increase of 56.

The taxes were 1931-32 taxes but were based on incomes of 1930. The figures seemed to suggest that in the first year of the depression, at least, the persons of small or moderate incomes were hit hard but that the millionaires and near-millionaires were able to cash in on other people's troubles.

Such an impression should be dissipated. There is a very simple explanation for the apparent prosperity of the millionaire class in 1930. It was a series of changes in the income tax law that eliminated certain schemes for tax evasion that were formerly quite legal. The changes related to personal corporations, family corporations and non-resident shareholders of family corporations and the amendments brought under the income tax a large number of people who were formerly exempt, who paid taxes in the lower brackets or who paid their taxes as corporation taxes.

No, it is hardly likely that there were more wealthy people in Canada in 1930 than 1929 but it is true that more of them paid heavy taxes.

LIFE INSURANCE PAYS

EVEN in these days $185,000,000 is a lot of money. Divide it by 300 and it means $600,000 each working day of the year. Distribute it among the thousands of life insurance policyholders and beneficiaries throughout the Dominion to whom it was paid in 1932 and in the great majority of cases it means the difference between hunger and starvation, happiness and misery, debt and freedom from debt.

This figure is but one of many contained in a survey by The Financial Post, of the amazing sums of money distributed in Canada and by Canadian life insurance companies in the past year. Never before in the history of the business was the demand for cash surrender values anything like what it was last year when Canadian companies paid out between $75,000,000 and $80,000,000 in this way. This represents a jump of 46 per cent from the same figure a year ago.

It is a splendid and lasting tribute to the soundness of Canadian companies and of foreign companies operating in Canada, that they were able to meet all these demands promptly and at "par" and without sacrificing, at present demoralized security prices, a dollar's worth of the capital investments held in reserve against the ultimate obligation contained in the policy contracts.

A danger will be, of course, that many of these policies against which money has been loaned in 1931 and 1932, may lapse and the purpose for which they were originally purchased, thereby defeated. Life insurance has proved its ability to "pay," despite the rigors of depression. Policyholders should hasten to reinstate their policies immediately circumstances permit so that their insurance can achieve the dual goals of protection and financial independence for which the majority of contracts were purchased.

TWO OMISSIONS

THE London Daily Express pays tribute to Canada's courage and says:

> "Canada has her problems and her difficulties, but she is facing them resolutely and successfully."

One problem we are not facing resolutely and successfully—that of balancing our governmental budgets.

The Express adds:

> "There is no country in the world with a more glorious future than this Dominion-continent won for the British race by the genius of our forefathers."

If there is a glorious future for Canada—and we agree that there is—it will be as much because of the genius of our 2,927,990 citizens of French extraction as of the genius of our 5,381,071 citizens of the British race.

EDITORIAL NOTES

The first step to recovery; a balanced federal budget.

* * *

They say Hoover wants to come back in 1936. Some people are bears for punishment.

* * *

Two years ago French capital was withdrawn from England. Now French capital, frightened by an unbalanced budget at home, seeks security in London.

* * *

People seem to have an idea that recovery will come from the banks. If they mean from the banks of the Ottawa river they may be disappointed.

* * *

A preacher sees a cultural benefit from the slump, as greater leisure for study is given to the jobless individual. Ask the man who is one.

* * *

Finance Minister Rhodes expresses surprise that so few investors subscribed to the last Dominion loan. Let him balance his budget and they'll subscribe.

* * *

If it is immoral for citizens to bribe politicians, isn't it also immoral for politicians to bribe sections or groups of citizens with special subsidies and public works?

* * *

The German press has been gagged by Chancellor Hitler. Cuban newspapers are under the iron rule of President Machado. Democracy is on trial in the world.

* * *

It is proposed to give President-elect Roosevelt "dictatorial" powers in balancing the U. S. budget. Yet these powers are no greater than our prime minister has under the Canadian system.

* * *

Several bank runs in the United States have been caused by publicity concerning loans from the R. F. C. Apparently a loan from the government signals depositors to run for cash.

POST-scripts

THERE are more ways than one of spoiling a sale but the prize for the Selling Boner of The Week is awarded to this one, quoted by Publishers' Weekly:

> A friend of ours walked into a rather well-known bookstore not so long ago and asked a clerk about a new mystery story he was thinking of buying. "Oh," said the clerk, "that's a swell book. It kept me guessing all the way through. It wasn't until the last page that I learned the valet did it!"

THIS business of inflating the dollar is really very simple. What they really want is for the dollar, which now looks like this:

Dollar

to begin to look like this:

DOLLAR

Of course it wouldn't make as much difference to the average man because prices that now look like this:

Prices

would begin to look like this:

PRICES

Then, you ask, why do it if the larger dollar would not buy any more? Well, the chief thing is that debts that look like this:

DEBTS

would begin to look like this:

Debts

SOME one down Port Hope way is trying to pull our leg. This letter came in the mail this week written on a blank order form torn from a seed catalogue:

> "The bank manager give Steve a copy of your paper. Steve brought it home and I see you advise on investments. I want to make a clean up on several investments and I would like your advice on how to keep clear of getting the wires crossed. This is the proposition.
>
> "A few months ago I was out of work and was suffering from stomachache, underweight and dizziness. I got four samples of medicines from the ads. about the same time as I hired out here on Steve Green's farm. Today I never felt better in my life and have put on 25 lbs.
>
> "Steve understands business. He says these medicine people pay money for photographs and letters like the face cream people do. He will write the right kind of letters and we will split fifty-fifty as the money comes in.
>
> "Now what I am worried about is this and I want your advice before I invest in photographs. Prices is shot owing to the war debts and the depression and I don't know what market price I should charge these medicine companies. I want to be fair. And where can I get the names of more medicine companies, all there are?
>
> Yours truly,
> Sam ....
>
> "P. S.—My address is just R. R. 4, Bill the mail carrier knows me. You can print this idea as far as I am concerned if it might help any other farmers to make some cash. Most of them need some. Bill says I am the only Sam on his route. Please excuse this paper; it is all I could find."

Other Peoples' Views

Britain Sees It Through

London Observer: There is one final and universal lesson. Nations intending to recover from the slump and to rebuild prosperity upon solid bases must keep out of war.

The Economy We Need

Sarnia Observer: What we need now is not the kind of economy that will put our taxes on a basis of last year or the year before. We are entitled to reductions so that taxes will be in line with earning power. They never should have been boosted to the point that they have attained. We were entitled to more careful stewardship.

Economy Merger

Business Week, New York—Linking tracks between Philadelphia and Atlantic City to form one route for the Pennsylvania Railroad and the Reading is an outstanding example of that rail co-ordination to promote economical operation of which there has been much talk but little done.

Since the opening of the Delaware River Bridge between Philadelphia and Camden in 1926 there hasn't been enough business for both roads, and duplicate service, rendered unnecessary by New Jersey's famous highways, has been costly.

A Refreshing Gesture

Atlanta Constitution—The board of governors of the Palm Beach Taxpayers' Association offers a unique and refreshing contribution to the demand for governmental economy in asking that construction of the proposed new post office for their little city be deferred because "there now exists a necessity for rigid economy in the affairs of national, state and local governments."

If taxes are to be lowered, it is just as necessary for governmental extravagance to be eliminated as it has been for business to eliminate waste in order to keep going, and the taxpayers of Palm Beach make a refreshing gesture in pointing the way to governmental economy.

Pleasant Pipe Dreams

Farm and Ranch Review, Calgary.—No rational person will today seriously maintain, that our business, financial and social machines are working satisfactorily, or anywhere near it. It is obvious, that we face drastic, economic changes. But it is no use indulging in pleasant pipe dreams. What the Western farmer wants is higher prices for his products—and he wants it now, not in the sweet by and by.

His wisest course is apparently to focus his attention on attainable objectives for the time being. If the "Co-operative Commonwealth Federation" can create a new heaven and a new earth later on, we will all be for it. But we should not permit our efforts to attain immediate improvements in our position, to be diverted into fantastic channels by impracticable dreamers, however well intentioned they may be.

School Costs

Border Cities Star, Windsor.—Mr. W. Donald McGregor, a member of the Windsor Board of Control and a former school trustee, gave the Windsor Board of Education something to think about recently, when, holding a conference with the 1933 trustees, he expressed the opinion that the time is coming when an intermediate high school education will be the highest provided by the taxpayers.

"Education costs are growing," Mr. McGregor said, "and something must be done. I think it's getting higher than we can afford to pay. I think the time is coming when we'll take pupils through the intermediate high school and from then on they'll have to pay the costs of tuition. I don't think it's necessary for the taxpayer of the community to give every child an education to fit him for a university. Many of those who complete collegiate courses do not use the education they receive and besides there is much more that one can teach oneself after leaving school."

It is quite likely that Mr. McGregor's statement will raise a storm of protest in certain quarters, but it is, nevertheless, a view of the situation that will have to have consideration. General educational costs must be lowered.

Winnipeg Population Increases

Winnipeg's population, according to the latest compilation of the city assessment department is 218,545, the highest in the city's history. The figure represents an increase of 2,777 over last year.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

U. S. SENATE GETS SOME ADVICE

UNITED STATES Senate has invited leaders of finance and business to map their suggested roads to recovery. First witness was B. M. Baruch, financial power behind the Democratic party, close associate of large international banking houses, who has been a friendly adviser of both Hoover and Roosevelt.

Mr. Baruch's evidence to the Senate Committee studying economic conditions was high-lighted with these points:

> "All legislative plans which postponed the working of natural processes should be rejected.
>
> "It is the weak who need a solvent government most. The strong are able to take care of themselves.
>
> "I am willing to prophesy that the moment the budget is balanced money will flow into this country from all over the world, the end of the downward path will be reached and there will be more money available than all the inflationists propose to print.
>
> "More money would be available for relief under a balanced budget than otherwise, because the government's credit would be increased and bonds could be issued to any desirable amount.
>
> "A nation's money is unsound when it continually spends much more than it receives in revenue and makes up the difference by using its debts for money—no matter how adroitly.
>
> "No nation is living within its income now, and the money of all is unsound or suspect. That is the effective cause of continued misery, and cure of that is the controlling principle for any council among nations."

* * *

L. F. Loree, president of the Delaware & Hudson, told the committee that if the government would let the railroads alone and take legal shackles off them, they could get along without help. Mr. Loree advocated several means of adapting the railroads to changing conditions, including:

> "Adjustment of taxes, wages and working conditions.
>
> "Elimination of waste through abandonment of all unused service, obsolete facilities and mileage no longer justified by the traffic.
>
> "Development of essential railroad facilities to the highest state of efficiency through improvement of grades, reduction of curves, shortening of lines, application of heavier rail and ballast, strengthening of bridges and improvement in equipment.
>
> "Amelioration of the five major hazards of the employee: Sickness, accident, death, unemployment and superannuation."

Mr. Loree, in commenting upon the growth of bus lines and automobile freight traffic, did not ask for their restraint. He knew of no bus line which was paying a profit, and what freight the trucks were carrying was in less than carload lots which represented only 2½ per cent of the ton-mileage and required 25 per cent of the car equipment, he said.

* * *

CONGRESS alone cannot cure economic ills, but it can help by attempting to balance its budget and assuring investors that a stable currency will be maintained, E. D. Duffield, president of the Prudential Life Insurance Company, told the committee.

Much can be done by Congress in curing governmental extravagance and ending talk of inflation of the currency. General lack of confidence in government, fear of what may happen, is caused by the unstabilized condition of public as well as private affairs, and both legislative bodies as well as individuals can aid in restoring hope to the people, he said.

* * *

THE committee was told by David A. Houston, of New York, that the country is not "in as deep a situation" as most people think it is, and will pull out of present difficulties as it often has pulled out of similar troubles in the past.

Speaking more confidently and hopefully than any one thus far, Mr. Houston, who is president of the Mutual Life Insurance Company of New York and a former Secretary of Agriculture and of the Treasury in the Wilson administration, urged preservation of federal credit "at all hazards," maintenance of the gold standard, elimination of weak factors from the banking system, a strengthened agriculture, attention to the position of the railroads with respect to their competition with buses and trucks, efforts to break down "watertight compartments" of restriction on foreign trade, and refunding of government debt on a lower interest basis.

He set forth facts and figures showing, he argued, that the depressions that began in 1837, 1857 and 1873, respectively, were preceded by "boom" phenomena of kinds that were conspicuous in the 1920's, and that those depressions were attended by troubles in some respects worse than have appeared in the present situation.

He maintained that the banking system has stood this one better than it stood previous major depressions, saying that the entire banking structure collapsed in the late 1830's.

> "It is estimated that in 1857 one-half the land holdings in the country—and all in many sections—changed hands because of the depression. In 1873, eighty-nine railroad companies went into receivers' hands, nine New York banks suspended, and the New York Stock Exchange shut down for the first time in its history. In 1893 there was agitation for cheap money, as at the present time, and I know of nothing that would be so hurtful or so precipitative of chaos as tampering with the currency now."

* * *

DANIEL WILLARD, president, Baltimore & Ohio R. R., urged cancellation of war debts as in the best interest of the U. S. and the world. Alfred P. Sloan, Jr., president of General Motors, Alvin Macauley, president Packard Motors, and others urged a balanced budget and a curtailment in governmental expenditures as a primary need.

Myron C. Taylor, chairman of United States Steel, seemed to sum up the view of all the industrial leaders who appeared when he said:

> "I believe that at the present moment uncertainty is playing a great part and is a great factor in the revival of our affairs.
>
> "I believe that if the Government would put its own house in order as an example to the community, balance its budget and live within its income, it would go a long way toward reviving public confidence.
>
> "I think the fear of tampering with the money system is one that spells a good deal of uncertainty in the public mind. I do not believe many people really know what is meant by inflation. And so many forms of it are suggested that even discriminating people may have doubts."

* * *

ANOTHER witness was Dr. Herman F. Arendtz, Boston economist. He said, in his evidence:

> "The entire credit structure of the country will collapse unless the federal budget is balanced, aid continued to industry and more money put into circulation, through bi-metallism.
>
> "The capital structure has to be reduced.
>
> "Budgets should not be increased by new taxes but by reduction in expenditure.
>
> "Economists and international bankers have a plan for an internationally managed credit currency. They could then shuffle and manipulate world credit and fix prices. It is most dangerous. I have not confidence enough in the wisdom and moral strength of any group of men to sit on a pedestal and manage world credit and currency for us."

Reduce Public Expenditures

Brantford Expositor

The Financial Post is performing a real public service in publishing very complete data each week to show the financial crisis Canada is facing, unless steps are taken immediately to lower expenditures so that the federal budget may be balanced. In its editorial explanation of its campaign it says, in part:

> "The views that are being expressed by The Financial Post on the critical nature of Canada's present financial position are regarded in some quarters as alarmist. If they do arouse concern that is not to be deplored. It is never unpatriotic to face the facts. Canadians have not faced the facts about their national financial position. What The Post is saying is not new to these columns. For years The Financial Post has warned of the trouble ahead for Canada if it continued to spend extravagantly through governmental channels."

This is a note that cannot be sounded too emphatically. Budgets must be balanced. That is a first step to the restoration of public confidence, without which normal purchasing cannot be reestablished. Leadership during such a critical time should come from the governments, but up to date they have utterly failed to introduce into their own spending departments the retrenchment that has been enforced upon business firms and private individuals as well. The tendency has been to find additional revenue through increased taxation rather than impose economies to make ends meet.

Budgets have not been balanced and, as Saturday Night said in a recent issue, "Government finances are everywhere in a critical condition because of this failure and a solution is not immediately in sight. Obviously the most drastic retrenchment is called for by governments and the country demands that they recognize the fact." It is a big problem to balance the budget just now, with increased expenses for relief and social services of every kind, but England did it in 1931 and Canada can do it today. The operation may be painful, but it is necessary if a cure is to be effected.

What of Canadian Investments Now?

Some Canadian interests seem intent upon devaluing their monetary unit to a level comparable to sterling, and such a drop should logically be followed by a boom on the Canadian stock exchange. Would this be an out and out advantage to Canadian investors? And what of the American owner of Dominion securities? Then, aside from inflationary considerations, the Canadian railroad situation and its prospects constitute an important chapter of the finances of our northern neighbor.

All of the above factors are covered in two feature articles that will appear in the February 22nd and March 1st issues of The Financial World.

Every Canadian investor should read the foregoing articles. You may have our February 22nd and March 1st issues together with the six following issues, also reprints of "10 Attractive Low Priced Stocks For Recovery" and "Time to Buy a Fortune?" all for only $1. Return this ad. today with $1 and your address.

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Annual Meeting of the Chartered Trust and Executor Company

Satisfactory Year and Sound Liquid Position Shown

The Annual General Meeting of The Chartered Trust and Executor Company, Limited, was held in Toronto on Friday, February 17th. Mr. James Y. Murdoch, K.C., the President of the Company, in reviewing the operations during the past fiscal year, said:

"The year 1932 under review, being the third year of what is termed 'the Great Depression', has been one requiring the vigilant attention of your management and the Board of Directors, and I am glad to be able to assure you that this vigilant attention has been given to the affairs of your Company.

"In addition to the constant and careful consideration of the business managed by the Company in estates, agencies and other trusts, we were faced with reduced operations in most of the departments which bring substantial income to the Company, and after considering all the conditions which had to be faced, I think we should be satisfied with the reduced but after all substantial net earnings shown by the Company.

"A Trust Company's business arises solely from the building up of confidence in the Company and this confidence is built up by careful management, which entails constant attention and by a conservative attitude on the part of the management and the Board of Directors. This is the policy of your company, and I can assure you will be the continued policy. The first consideration must of course be to those who have entrusted their money or their business to the Company, and this consideration applies particularly to guaranteed trust Accounts and then to estates, trust and agencies.

"You will note from a perusal of the Annual Report that our deposits at the end of 1932 had increased over $235,000.00 since the end of the previous year, and that our guaranteed trust account had increased from something over $2,560,000.00 at the end of 1931 to approximately $2,650,000.00 at the end of 1932. The funds in the Guaranteed Trust Account represent trust funds for investment and trust deposits, and I would draw to your attention the liquidity of this public liability. $873,000.00 is the investment in mortgages, $710,000.00 in Dominion, Provincial, Canadian Municipal and School District Debentures, $7,500.00 in miscellaneous bonds, and over $1,000,000.00 in loans on collateral security or cash on hand and in banks.

"The bulk of the money loaned on the mortgages is loaned on City of Toronto properties, the Company having a very small amount of money on farm mortgages and having no mortgage investments in this account in the Western provinces. The percentage of arrears of mortgage interest payments is very small indeed.

"The loans on collateral securities are made on a conservative basis and the collateral represents almost entirely Dominion, Provincial and Canadian Municipal securities. You will note that $100,000.00 has been written over from reserve. Your Board thought that under the present general conditions it was wise to value our investments in our statement at approximately the present market values and this is the reason for writing $100,000.00 from reserve. I would point out that in so valuing the investments of the Company, such values appear at figures substantially below the values allowed by the Department of Insurance of the Dominion for Insurance, Trust and Loan Companies.

"I would draw your attention to the very small amount representing real estate held for sale, namely $5,360.05, which is concrete evidence of the conservative policy followed by your management in making mortgage loans.

"The Ontario Department of Insurance issues quarterly statements of deposits and liquid securities of Loan and Trust Corporations, and in the preparation of such statements, the Department considers as liquid securities cash, Government and Provincial bonds, bonds of Ontario Municipalities (not in default), and loans secured by bonds of the above character, and you will see that this excludes bonds of municipalities outside the Province of Ontario, corporation bonds and mortgages. The return for the quarter ending December 31st, 1932, shows the liquidity of your company on this basis at 64.33 per cent. of our depositors' account, and of the seven Trust Companies doing business in Canada having larger deposits than those held by your Company, only two are shown as having a greater percentage of liquidity.

"I have given you these facts and figures to impress upon you the conservative attitude of your management and Board of Directors in the direction of the affairs of your Company, and while this of necessity reduces the net profits, yet I think you will agree with the Management and the Board that a conservative attitude and a policy of first protecting our depositors and those who do business with us is the only policy which should properly be adopted.

"The rising tide of taxes has become a very heavy burden on your Company and other Trust Companies. This item on 1932 business for your Company totals over $24,000.00 for Dominion, Provincial and Municipal taxes, and I consider it is the duty of all of us to impress upon our Government leaders the fact that our burden of taxation in this country has reached the very limit which this country can bear.

"In addition to the growing confidence of the public in our Company, represented by the substantial increase in our deposits, which by the way was in a practical manner greater than is represented by the figures given by me because certain deposits which might be termed "Special", were withdrawn in the year, and the increase shown is by new accounts, which might be termed of a more permanent character.

"Another pleasing evidence of the growing confidence in your Company is shown in a very substantial growth in the number of wills either deposited with us or of which advice has been given to us, wherein your Company has been appointed Executor, and this increase will represent increased business in the future.

"In closing I would wish to express the appreciation of the Board, and I am sure your appreciation, of the splendid service given by the Officers and the entire staff in the carrying on of the business of the Company. Our staff has been reduced, our employees have gracefully accepted substantial reductions in their remunerations, and yet their loyalty has not diminished nor has the service to the people doing business with us suffered at all. I think the thanks and appreciation of the shareholders is due to such a loyal and efficient body of officials and employees.

"I will leave to our General Manager, Mr. Gibson, the task of dealing in more detail with the Balance Sheet and general affairs of the Company."

GEORGE F. HARDY
Consulting Engineer
305-309 Broadway, New York City, N.Y.
Member
Amer. Soc. C.E. Amer. Soc. M.E. Eng. Inst. Can.
Consultation
Reports
Valuations
Estimates
Paper and Pulp Mills
Hydro-Electric and Steam Power Plants
Plans and Specifications

The Week in Business

Automobiles To the Fore

AUTOMOBILES held the centre of the business stage during the past week with the new "bigger and longer" eight by Ford in the forefront. Rumors of the new Chevrolet lower-priced model and the light Ford eight, both to be introduced in the spring, have caught the public's imagination and the automobile is a favorite topic of conversation. Both these new cars, it is understood, will set a new low mark for the industry in Canada and delivered prices below $500 are freely prophesied.

On top of this comes word that at last an English company is making preparations to enter the Canadian field. The Austen Motor Car Co., of Northfield, Eng., has at present a representative in Canada and models of their cars are being shown in Montreal and Toronto. Left-hand drive has been introduced and in appearance and performance these cars appear to stand a good chance of becoming a permanent addition to the automotive field of the Dominion.

Austen are establishing a dealer organization throughout Canada and already distributors have been fixed in Halifax, Montreal and Toronto. Unlike previous ventures into this field by English manufacturers this one appears to be intensive. A full range of parts will be maintained at central service stations and the repair bogey which has scared prospective purchasers of English cars in the past appears to be in fair process of being effectively laid.

Severe Weather Hinders Trade

A NEW trend in petroleum imports is largely responsible for the decrease in January imports compared with those of January a year ago, The Financial Post learns. Since the erection of refineries in Montreal imports have been reduced via the Sarnia pipe line and increased by ocean freighter. This latter means of transportation, as far as Montreal is concerned, is necessarily confined to the summer months and the result is that, during the past season, enough crude was imported to keep these Montreal refineries in operation during the time that navigation was closed on the St. Lawrence. Imports in January were 51.8 per cent lower than in January a year ago.

Frigid weather throughout Canada in the week ended Feb. 11 is held responsible for a decrease in carloadings for the week. In the western division, where the cold was most intense and drifting of snow blocked many lines, loadings were particularly light, falling from 11,202 in the previous week to 10,314. Wheat exports continue to run ahead of last year, exports for the week of 3,148,831 bu. being 20 per cent greater than in the corresponding week of 1932.

Since the reduction of the excise tax on cigarettes, the number entered for consumption has shown consistent gains over the corresponding months of 1931. It would appear that the trend toward "rolling your own," which was making such inroads on cigarette sales during 1932, has been at least temporarily halted. Rubber imports showed a usual seasonal increase as demand of automobile manufacturers for tires begins to near its peak. Rubber imports, however, were considerably smaller than in January, 1932.

Talking Pictures Produced on Vancouver Island, B.C.

Advice from Victoria, B.C., states that a great deal of interest has been aroused there recently by the filming of two talking pictures in the vicinity for the British market.

It is understood, The Financial Post learns, that a branch of the industry is to be established on the island, most probably in Victoria.

Alberta Coal Output Higher

Alberta's coal production during 1932 amounted to 4,870,030 tons, as compared with 4,564,290 tons in 1931. All classes of coal, except bituminous, showed a gain.

Business Conditions in Canada

LOW PRICED DODGE CUTS WIDE SWATH IN JANUARY SALES

General Motors Lines Absorb Loss from Jan., 1932

Chrysler's new competitively-priced Dodge has made a place for itself among the "best sellers" in the automotive world, January sales of this car in Eastern Canada show. With a spectacular increase from 17 in January, 1932, to 109 during the past month it has usurped Plymouth's place as the big seller of the Chrysler line and moved into third place in total sales of all makes of car, an analysis made by The Financial Post of figures compiled by Might's Directories and published in Canadian Automotive Trade reveals. Nor was Plymouth standing still while this increase was taking place, January sales of this car being 104 compared with 55 in January of the previous year.

Practically all of the January sales were made in Ontario, partly because that province saw the first showing of the 1933 models but chiefly because of weather conditions. Of total sales in the four Eastern provinces (no return is available for Prince Edward Island until later in the year) of 1,045, more than 90 per cent were made in Ontario, this situation being similar to previous years.

General Motors Lose

General Motors two big selling lines, Chevrolet and Buick absorbed most of the decrease from 1932, sales of the former falling from 439 to 374, while in the latter case the decline was from 118 to 67. Ford, minus a new model in both years, maintained a steady position by selling 120 cars while the Pontiac, changed from a six to an eight, dropped from 66 to 64.

The race between Chevrolet and Ford for the leadership of the Canadian field should be keener than ever this year, as Chevrolet, last year's leader has dropped 65 sales already while Ford is only 8 less than in January, 1932. Ford gets under way this week with the new model and from now on monthly totals will be closer.

New Car Sales in January

	1932—33 Ont.	Other East. provinces	Total	1932 Total
Chevrolet	348	26	374	439
Ford	102	19	121	129
Dodge	105	2	109	17
Plymouth	93	11	104	55
Buick	62	5	67	118
Pontiac	56	8	64	66
Frontenac	36	6	42	15
Essex	20	8	28	12
Studebaker	16	..	16	22
Willys	17	..	17	32

	1933	1932
Ontario	937	1,035
Quebec	54	34
Nova Scotia	45	54
New Brunswick	9	22
	1,045	1,145

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

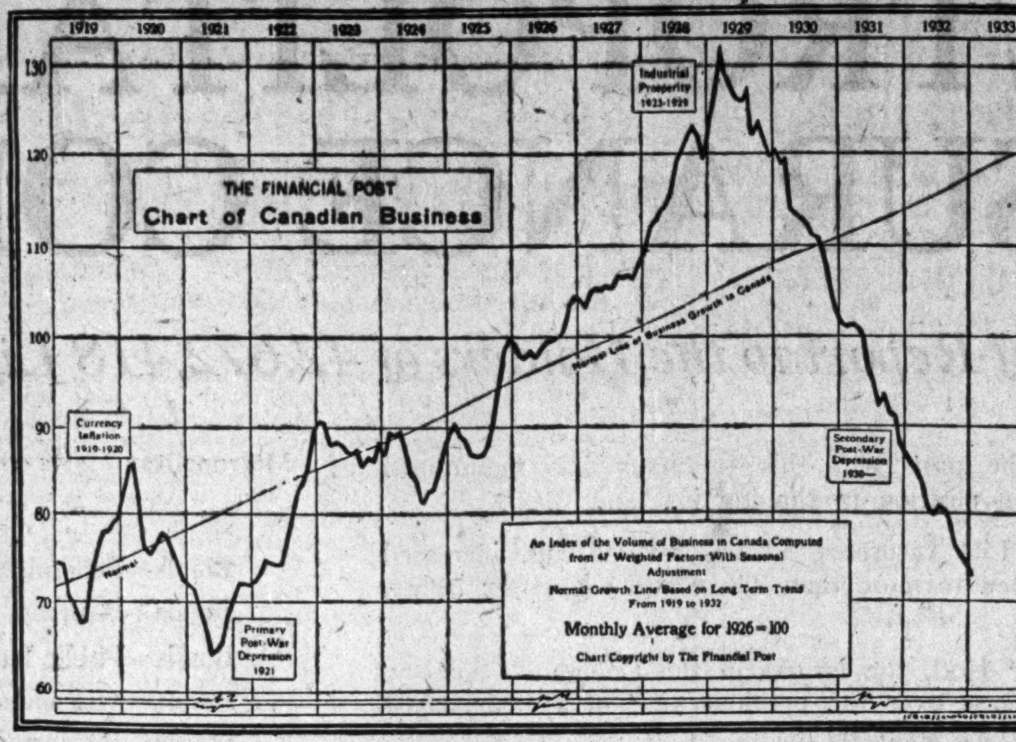
Dutch Financial Interests are negotiating for the establishment of a beet sugar factory in or near Winnipeg. Only $7,500 of Manitoba capital is asked and the balance of $1,500,000 will be subscribed by the Dutch. If the deal goes through, A. D. Blaauboer, at present in Winnipeg conducting negotiations, will remain as manager.

Canadian Blower and Forge Co., Kitchener, has installed machinery for the manufacture of cream separators. The industry complete was purchased from the Dairy Cream Separator Co., of Indiana, barred from this country through tariff action.

Hydrogas Refineries, manufacturers of a new motor fuel known as "Hydrogas" will erect a refinery in St. Catharines to serve the Niagara Peninsula. The new company is affiliated with similar refineries in the United States. It is stated that the proposed St. Catharines refinery will have a capacity of 250 barrels a day.

The Continental Distillers, Ltd., has been incorporated in Newfoundland with a capital of $800,000, for the purpose of carrying on a distillery business in Newfoundland.

Business Index Again Lower in January



The Financial Post index of business operations in preliminary form registered a decline of one point in January from the preceding month. While declines and increases were distributed equally, the reactionary tendency in mineral production and foodstuffs which had been at a relatively high point in December resulted in an unmistakable drop in the index.

Construction factors were up slightly after seasonal adjustment, while the iron and steel group showed moderate improvement. Imports of crude rubber and petroleum showed gains, while raw cotton was imported in smaller volume. Bank debits after seasonal adjustment recorded a gain in January, probably reflecting activity on the mining market. The financial background, including the strength in government bonds, showed constructive tendencies during January.

Minerals and Foodstuffs Cause Decline in January

Construction Industry Shows Slight Gain After Seasonal Adjustment — Iron, Steel, Rubber and Petroleum Improve Slightly

By SYDNEY B. SMITH

The declining trend of business operations prevalent during the greater part of the last four years was continued in January. The Financial Post business index recorded a drop of one point from the level of the preceding month. Forty-two factors were available out of the 47 included in the final version of the index.

Gains and losses were evenly divided, there being 21 increases and 21 decreases. But the decreases were more severe, resulting in an unmistakable decline in the index from 74.1 in December to 73.1 in the month under review.

Other Factors Improve

While the volume of business operations is the most significant factor in the trend of economic conditions, it is well to consider developments in other lines. On the whole, the general outlook was slightly improved in January despite the unsatisfactory showing in the level of general business.

The bright spot of the month was the continued strength in government bonds, Dominion and provincial issues recording a moderate gain over December. After seasonal adjustment, the sum of notice and demand deposits showed a moderate gain at the first of the year. The stock market averages were slightly higher in January than in the preceding month and the spectacular rise in the gold stocks served to direct attention to an industry operating under favorable conditions. Although the index of wholesale prices indicated that a new low point was reached in January, the decline in the index from the preceding month was limited to one-tenth of one point.

Factors Analyzed

Mineral production and foodstuffs declined from the relatively high level of December and this reaction was the chief influence in depressing the index in the month under review. On the other hand, the forestry, iron and steel and construction industries, while still at low levels showed, after adjustment, moderate improvement over the preceding month.

Nickel exports were 3,079,000 pounds in January compared with 2,175,000 pounds in December. Copper exports directly from Canadian mines showed a decline in January and zinc exports were in lesser volume.

Receipts of gold at the Mint were 253,430 ounces compared with 238,999 in December and shipments from mines including exports were slightly greater than in the preceding month, the gain being less than normal for the season. Shipments of silver were 642,625 ounces compared with 987,698 and seasonal adjustment does not greatly alter the comparison. The decline in asbestos exports was less than normal for the season. Imports of bauxite for the manufacture of aluminium showed moderate decline. The production of lead was not available for January but a decline was shown in December compared with the preceding month. Advance information indicates that after seasonal adjustment mineral production showed decline in January from the level of December.

Foodstuff Indices Weak

Out of the ten factors showing the trend of activity in the production of foodstuffs, three showed a gain. The milling industry was less active in the last month for which statistics are available. Production of wheat flour, oatmeal and rolled oats showing considerable decline. Corn flour recorded a gain after seasonal adjustment. Production of sugar was 27,303,000 pounds in the first four weeks of January compared with 61,345,000 pounds in the last four weeks of 1932, the decline being greater than normal for the season.

Cattle slaughterings were considerably greater, 70,776 head comparing with $59,994 in December, and sheep slaughterings showed a gain after seasonal adjustment. Hog slaughterings were at a moderately lower level, but the general index for inspected slaughterings was up to 101.8 compared with 93.8 in December. Exports of cheese and canned salmon reached lower levels, even after seasonal adjustment. The net result was that the foodstuffs index was 67.9 compared with 94.4 in December.

Cigarette Consumption Up

The release of cigarettes was in considerably greater volume in January, being 310,144,850 compared with 304,613,955 and raw leaf tobacco also showed a gain. The release of cigars showed a drop greater than normal for the season.

Raw rubber imports were in greater volume, the total being 2,663,000 pounds compared with 2,109,000. The output of leather boots and shoes showed decline in December after having been well maintained throughout the preceding months of the year.

Although greater than in the same month of 1932, the imports of raw cotton were less than in December. The total was 8,765,000 pounds compared with 13,819,000 in the preceding month. Imports of cotton yarn were 316,000 pounds compared with 258,105, while wool for further manufacture was imported in lesser volume.

Newsprint Gain Below Normal

Production of newsprint was 140,539 tons compared with 138,682, but the gain was less than normal for the season. Wood-pulp exports showed a gain after seasonal adjustment, the export of shingles showed substantial gain while planks and boards were exported to the extent of 39,178,000 ft. compared with 37,543,000 in December. The shipment of shingles to external markets was 83,718,000 compared with 73,138,000 in December.

The output of the primary iron and steel industry was greater than in the preceding month, the rail contract obtained by the Dominion Iron and Steel Co. being the chief reason for the gain. Increases were shown in the production of steel ingots and pig iron. A moderate gain was shown in the output of motor cars, but the level of operations remained low.

A gain was shown in the imports of crude petroleum, the amount being 35,084,000 gallons compared with 32,808,000 gallons in December, and the gain would be increased considerably by seasonal adjustment.

Construction Gains

The decline in building permits and construction contracts awarded was less than normal for the season and the index for the construction industry consequently showed a gain in January. The low ebb of construction work now in progress is one of the discouraging factors. Carloadings numbered 134,432 in January compared with 152,562, the decline after seasonal adjustment being about 4 per cent. During the first six weeks of 1933 loadings were 186,397 cars, a decline of 55,664 cars from the same period of last year.

After seasonal adjustment exports showed a moderate gain while imports reached a lower level. Bank debits or payments by cheque showed a gain in January after seasonal adjustment.

Many Plus Signs In Comparisons Week's Figures

Some welcome increases from December lows are seen in January business indices released during the past week. Forestry and its products is to the fore with increases in exports of planks and boards and newsprint production compared with December, 1932. These figures compare very unfavorably, however, with January a year ago.

Building permits, cotton imports and sugar production all show large losses compared with the last month of 1932, but only building permits compare unfavorably with January, 1932. Petroleum imports show a large decrease from January a year ago.

Monthly		Jan., 1933	— Change — From Prev. Period %	From Prev. Year %
Sugar prod.	lbs.	27,303,000	—55.5	—2.1
Cigarette cons.	No.	310,144,850	+1.8	+11.4
Rubber imp.	lbs.	2,663,000	+26.3	—32.7
Cotton imp.	lbs.	8,765,000	—36.6	+34.3
Newsprint prod.	ton	140,539	+1.3	—18.0
Planks & boards exp.	bd. ft.	39,178,000	+4.4	—27.2
Petroleum imp.	gal.	35,084,000	+6.9	—51.8
Building permits	$	1,163,878	—21.4	—57.9
Weekly* Carloadings		Feb., 1933		
	No.	30,691	—3.8	—25.6
Wheat exp.	bu.	3,148,831	—20.3	+20.6
Wheat stks.	bu.	229,493,740	—0.6	+19.6

*Weeks ended Feb. 11, 10, 10, respectively.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932-33	1932-31	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car loadings (Feb. 11)	30,691	41,234	186,397	242,061
C. P. R. gross earn. (Feb. 14)	$ 1,711,000	$ 2,120,000	$ 11,164,000	$ 13,502,000
C.N.R. gross earn. (Feb. 14)	$ 1,987,574	$ 2,657,691	$ 12,410,467	$ 16,200,821
	Monthly			
C.P.R. net earn. (Dec.)	$ 2,310,749	$ 3,590,562	$ 20,089,984	$ 25,424,766
C.N.R. net earn.	......	......	$ 10,039,925	$ 7,585,729
Iron and Steel—				
Pig iron, tons (Dec.)	27,031	13,862	144,130	420,038
Steel, tons, (Dec.)	30,755	20,969	342,788	672,109
Automobiles prod., No. (Dec.)	2,139	2,377	60,816	82,559
Automobile exports, No. (Dec.)	1,132	303	13,022	14,539
Construction—				
Building permits (Jan.)	$ 1,163,878	$ 2,761,929	....	....
Contracts (January)	$ 3,362,400	$ 12,738,300	......	......
Newsprint—				
Production, tons (Dec.)	138,682	165,173	1,907,566	2,221,454
Exports, tons (Dec.)	136,993	161,835	1,776,758	2,008,238
Sugar—				
Imports, raw, lbs. (Dec.)	22,371,400	46,338,100	674,635,900	798,359,500
Melt & ship, lbs.*	18,766,629	27,972,514	......	......
Manufactured, lbs.*	27,303,133	27,891,289	......	......
Flour—				
Production, bbls. (Dec.)	1,009,799	1,175,152	14,465,164	16,673,367
Wheat flour exp., bbls. (Jan.)	397,304	331,806	......	......
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Dec.)	38.64	56.65	675.12	937.73
Boots and shoes, pr. (Dec.)	978,064	1,133,534	17,879,218	17,677,616
Petroleum, imp. crude, gal. (December)	32,810,000	61,840,000	889,847,119	1,017,393,901
Cotton, imp., raw, lbs. (December)	13,819,000	12,224,000	97,356,000	95,598,000
Rubber, raw, imp., lbs. (Dec.)	2,109,000	5,493,000	46,854,961	56,582,185
Coal, imports, tons (Dec.)	893,636	1,025,187	11,673,428	13,531,831
Gasoline sales, gals. (Sept.)	63,607,000	61,382,000	389,876,000	422,291,322
Trade—				
Imports (January)	$ 24,441,133	$ 34,114,507	....	....
Exports (January)	$ 31,561,813	$ 38,366,699	....	....
Wheat exports, bus. (Jan.)	14,706,301	9,472,346	......	......
Labor—				
Employment Index (Dec.)	78.5	91.6	......	......
Electric Power—Output—				
M. Kilowatt hours (Dec.)	1,433,150	1,432,152	15,862,736	16,383,393
Finance—				
Failures, No. (Nov.)	229	213	2,224	2,020
Failures, Liabilities (Nov.)	$ 4,342,717	$ 4,335,646	$ 38,849,423	$ 49,595,665
Bank debits† (Dec.)	$ 2,084,605	$ 2,638,122	$ 25,844,288	$ 31,586,468
Bond sales (Jan.)	$ 19,257,000	$ 46,162,086	....	....
Insurance sales (Jan.)	$ 29,367,000	$ 37,331,000	....	....
Automobile Financing:				
Used cars (Dec.)	$ 652,725	$ 1,003,073	$ 13,116,991	$ 21,071,707
New cars (Dec.)	$ 471,961	$ 823,881	$ 12,786,918	$ 20,869,547

*Four weeks' period, Jan. 7 to Jan. 28.

Commodity Prices

Commodity Prices at Wholesale‡

	Week ending Feb. 18	Previous week	Same week last yr.
Cattle (cwt.)	$4.50	$4.75	$7.00
Copper, lb.	.05	.05	.06¼
Cotton, lb	.0615	.0610	.0705
Rubber, lb.	.0293	.0296	.0394
Silk, lb.	1.22½	1.25	1.82½
Sugar, raw, lb.	.0280	.0270	.0298
Wheat (Man.) bu.	.46⅝	.46	.64¼
Hides, lb.	.04½	.05	.06½
Coffee, lb.	.08¾	.08¾	.07½

Weekly Indices

N. Y. Annalist	81.0	81.2	92.2
Fishers'	55.4	55.3	†62.0
N. Y. Journal of Comm.	52.8	53.8	59.7
Crumps (Brit.)	60.8	60.7	†62.4

*N. Y. Annalist base, 1913, others, 1916.
† Average 1932.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) (Jan.)	63.9	64.0	69.4
Retail (Jan.)	79.7	80.0	89.6
U. S. Labor (Dec.)	62.6	62.9	...
Gt. Brit. (Jan.)§	46.9	46.0	50.5

‡ Basis of price quotations is as follows: cattle — steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; silk—Japanese, 13-15, New York; sugar—96 degree centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

§ Converted to U. S. dollar equivalent.

EMPLOYMENT HIGHER IN BORDER CITIES

Other Business Indices For January Are Down, However

Industrial employment in Windsor and adjacent Border Cities was greater in January than in the same month of 1932, according to the compilation of Border Chamber of Commerce, Windsor. Employment in 156 companies totalled 12,019 in January compared with 11,218 in December, 1932, and 10,611 in January, 1932.

Of these 156 firms reporting, 37 are automotive firms and reported 6,951 workers in January, 736 more than in the previous month and 1,949 more than in January, 1932. Non-automotive firms reported fewer employees than in January, 1932, but an increase of 65 to 5,068 compared with the previous month.

January customs receipts were only slightly down compared with January a year ago, the comparative totals being $569,752 and $578,824. Building permits were practically negligible at $11,400 compared with $15,950 a year ago and $619,400 in January, 1929. Bank clearings, for Windsor only, totalled $7,888,304, a considerably lower amount than the $9,771,495 recorded in January, 1932.

Business Briefs

Codfish prospects are brighter in Newfoundland, a report from St. John's states. Fish dealers are, on the whole, fairly well satisfied with the transactions which have been concluded and the prospects.

Failures under the Bankruptcy Act for the week ended Feb. 11 numbered 39 compared with 43 in the same week a year ago. For the year to date failures number 257 compared with 305 in 1932, a decrease of 15.7 per cent.

Car Loadings for the week ended Feb. 11 totalled 30,691 cars, a decrease of 1,220 from the previous week. The seasonally adjusted index dropped to 53.22, a new low level for the past two years.

The Real Estate Loan Company of Canada, Limited

Head Office: CONFEDERATION LIFE BUILDING, TORONTO

BALANCE SHEET AS AT 31st DECEMBER, 1932

ASSETS

Real Estate held for sale		$ 46,655.30
Loans on Mortgages—		
Principal	$1,463,911.06	
Interest due and accrued	44,595.61	
		1,508,506.67
Loans on Stocks and Bonds		4,214.57
Dominion of Canada and Provincial Bonds		16,078.70
Stocks and Canadian Municipality, School District and Rural Telephone Debentures		59,588.47
Cash on hand and in Chartered Banks		7,875.88
Agents in Great Britain		6,179.74
		$1,649,099.39

LIABILITIES

To the Public:		
Sterling Debentures and Accrued Interest thereon	$ 718,584.90	
Currency Debentures and Accrued Interest thereon	92,108.49	
Open Accounts and Provision for Accrued Taxes	5,904.85	
		$ 816,598.24
To the Shareholders:		
Capital Stock Subscribed $500,000.00		
Capital Stock fully paid	$ 500,000.00	
Rest	310,000.00	
Dividend No. 92 payable 3rd January, 1933	17,500.00	
Dividends Unclaimed	36.00	
Profit and Loss Account	4,965.15	
		832,501.15
		$1,649,099.39

PROFIT AND LOSS ACCOUNT—For Year Ending 31st December, 1932

Interest paid and accrued on money borrowed		$ 43,148.88
Expenses of money borrowed and lent		1,946.61
Cost of Management and Directors' Compensation		16,302.74
Government and Municipal Taxes paid and accrued		6,871.13
Real Estate Reserve		8,686.23
Dividends Nos. 91 and 92		35,000.00
Balance carried forward		4,965.15
		$ 116,920.74
Balance forward, 31st December, 1931	$ 4,570.06	
Less: Voted at Annual Meeting to President and Vice-President	1,200.00	
		$ 3,370.06
Income from Interest on Investments, etc.		113,550.68
		$ 116,920.74

BOARD OF DIRECTORS

H. WILBERFORCE AIKINS, *President*	M. A. MACKENZIE, *Director*
E. P. BEATTY, *Vice-President*	C. A. MORRIS, *Managing Director*

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ACTION TAKEN TO FORMULATE FUEL POLICY

Solution Sought for Maritime Coal Problems

POURPARLERS HELD

Comprehensive Proposals Considered as Collieries Battle With Dwindling Output and High Costs

From Our Own Correspondent

MONTREAL.—Coal production in the Maritime Provinces has been the centre of much discussion in the past month and it is considered likely that representations to Ottawa will follow conferences between interested parties with a view to stimulating output and sales of Maritime coal in Canada. The matter was brought up at the provincial premiers' meeting and is still a live topic.

Recent press reports that a plan would be submitted to enable the Maritimes to serve Quebec entirely with its coal requirements, where possible, are regarded as premature. The report suggested that an area would be segregated as a market for Maritime coal sales; other imports would be largely eliminated and the resultant demand would enable Maritime coal producers to cut their costs.

Certainly the question of tonnage is paramount to the coal mining industry at the moment. Sales have dwindled in the past few years and, without volume, the difficulty of reducing costs has been a major problem. Subventions have helped producers to some extent but the situation as it exists today is serious; possibly at no time has the Maritime industry been called upon to face such an urgent predicament.

Seek Increased Tonnage

Operators feel that given a chance to increase their tonnage they would be able to bring their costs down to reasonable levels, but without volume their operating expenses can only be controlled to a certain point. Ways and means of formulating a fuel policy have been under discussion; as yet details have not been divulged but it is thought that the matter may come to a head shortly.

Pound Sterling is Problem

Possibly the greatest adversary which the Maritime industry has today is the depreciated pound sterling. Present premium of the dollar in comparison with the British pound enables importers to bring in coal at a low price; it has even invaded the Maritime market itself. The British coal industry is well controlled, domestic prices are regulated, and a variable rate for exports is strictly supervised. These factors, together with the effect of depreciated currency, are making inroads into Maritime production while the continued slackness in the steel industry narrows an outlet which in normal times is fairly broad.

From the United States, as well, competition is keen. Prices have been slashed to low levels to hold Canadian business and railways have reduced rates to the border in an effort to secure the haul of former years. Costs in the U. S. are at a low level due to different mining methods and low wages in certain districts.

Major Industry in N. S.

Extent of the industry's value to Nova Scotia is seen in the fact that coal production in that province was valued at $24,528.860 in 1930. Tonnage was 6,252,552 tons. In 1931 production was 4,955,563 tons valued at $19,016,720. Figures for 1932 have not yet been made available but it is estimated they will fall below the previous year by some 20 per cent; values are likely to drop proportionately.

The problem of marketing Maritime coal has been aired on many occasions, but indications are that efforts will be made to find some more tangible solution to difficulties involved than have been put forward heretofore. The Duncan Commission investigated the whole situation two years ago and the feature of its report was the stress laid on necessity of reducing mining costs. A wage reduction was recommended and effected but this alone will not place the coal mining industry on a sound footing.

Widen Domestic Market

Subventions granted to shipments to Ontario markets have aided the industry but only to the extent that they have prevented a bad situation from becoming intolerable, according to observers. Much promotional work has been undertaken by the leading producer with a view to opening up outlets in Ontario for Maritime coal; this has met with a degree of success. But the net result has not increased production to a point where costs can be brought down to a desired level; Maritime mines are still slack and overhead continues to stay at relatively high levels.

Doubtless the feasibility of any plan put forward will be questioned in various quarters. Economics of the situation have always been a hot subject for discussion while the importance of the industry to Nova Scotia is strongly upheld by that province. There can be no doubt of the distress caused by the parlous condition of coal mining there today; whether a real national fuel policy will result from the various pourparlers which have been held remains to be seen.

Orange Crush Bottling Goes Into Liquidation

Orange Crush Ltd. has no stock interest in Orange Crush Bottling Co. of Winnipeg which is in the hands of a provisional liquidator, officials of the company state. The Winnipeg company has the exclusive franchise for bottling Orange Crush Products in the Winnipeg area and buys syrups and extracts from Orange Crush Ltd. It is understood that the latter company is a creditor.

Liquidation of this Orange Crush distributor reflects the decreased demand for soft drinks experienced by producers during the past year. Creditors of Orange Crush Bottling Co. have been asked to state their claims against the company by March 15.

DROP DIVIDENDS ON MONT. COTTONS COMMON STOCK

Cash Reserves Depleted as Operations Continue Unprofitable

From Our Own Correspondent

MONTREAL. — Dividends have been omitted on the $3,000,000 of common stock of Montreal Cottons Ltd., on which payments at the rate of 6 per cent have been made since 1920. The company has sustained operating losses in the past three years, though it is understood that operating position today is slightly improved. This reflects benefits of plant rehabilitation carried out in the past two years at a cost of around $1,000,000.

Ability of the company to continue common disbursements despite losses has been due to its cash position. In 1929 Montreal Cottons sold its water rights to Beauharnois Light, Heat and Power Co. for $1,975,000 cash, in addition to free delivery of 8,000 horsepower from Beauharnois. But inroads have been made into reserves through maintenance of dividends, and directors evidently wish to conserve cash position until conditions improve.

Continued Losses Reported

Operations in 1931 resulted in a loss of $246,840 compared with a loss of $329,361 in the previous year; it is unlikely that earnings for 1932 will show much improvement. Losses were offset by the transfer of $950,000 from special contingent account in the two years period but despite this, surplus was reduced to $383,724 at the end of 1931 compared with $857,068 at the close of 1928. The common dividend has not been fully earned since 1927, but the deal with Beauharnois gave the company sufficient cash to maintain dividends.

Montreal Cottons operates one of the largest cotton mills in the world at Valleyfield. Formed in 1911 as a reorganization of the old Montreal Cotton Co., active since 1872, an initial dividend of 1 per cent was paid in 1912. A rate of 4 per cent was inaugurated the next year and maintained until 1920 when the 6 per cent rate was started. Preferred dividends have been paid regularly and are being continued.

Dominion Textile Co. has been affected by the dividend omission. The company holds a substantial block of Montreal Cottons common and, with deferment of payments, disbursement on Dominion Textile stock has been lowered from a former rate of $5 to an annual rate of $4 a share.

Merged C.D.S.S. Increase Income, Decrease Costs

Consolidated Diversified Standard Securities, formed in May, 1932, as a merger of the three Diversified Standard Securities trusts, shows increased income and decreased expenses and appreciation in market value of securities held in its first report since the merger covering the 5½ months from July 13 to December 31, 1932.

Income from dividends, interest and exchange was $32,798 and profits on sale of investments and return of capital amounted to $54,603, making total revenues of $87,401. Income from dividends, interest and exchange during the 5½ months period covered by the report, but not including revenue from profits realized on securities sold, was equal to 4.27 per cent on the total amount of invested capital or at the rate of 9.32 per cent for the full year. After deduction of expenses, taxes and preferred dividends an amount of $52,660 was transferred to reserve for capital profits realized, leaving a net surplus of $5,241 to be carried forward.

The balance sheet shows total assets of $780,284, almost entirely represented by investments held, valued, at cost, at $767,139, the quoted market value, as at December 31, 1932, being $945,568. Current liabilities amount to only $4,978, and capital, preferred and common stock, is carried at $717,405.

The president, Hon. W. E. Foster, states that there are 140 securities in the portfolio with a market value on December 31 of 23 per cent over the book value. Operating expenses were $13,115 for the period as compared with $25,201 for the same period of 1931. Savings of $15,000 per annum had been anticipated as a result of the merger but actual savings are at the rate of $24,000 per annum.

Preference shares had been placed on a dividend basis with disbursements at the rate of 25 cents a share. The net value of preference shares, as shown by the new balance sheet, is $18.73 a share.

Canada Dry Gets Profit For First Three Months

As a result of an encouraging increase in sales, net profit of Canada Dry Ginger Ale for the first quarter of its fiscal year, that is for the three months ended December 31, 1932, amounted to $1,926 as compared with a net loss of $23,560 for the corresponding period of 1931.

The amount paid on 503,387 no par value shares outstanding for this quarter was 25 cents and the earnings two-fifths of one cent. Sales for the winter months are therefore still insufficient to enable the company to secure substantial profit to cover its dividend disbursement, but a very satisfactory increase in the general sales trend in the company's New York, New England and Pacific Coast divisions is reported. The middle west and south are low spots, but even in the Chicago and St. Louis areas improvement is seen.

The quarterly report states that the company's new sparkling water has been well received. Distribution has been purposely restricted but is gradually being extended.

Credit Trade Balance $7,559,329 in January

Canada's credit trade balance in January amounted to $7,559,329 compared with $4,948,962 in January, 1932, and marked the ninth consecutive month that a credit trade balance had been recorded.

Domestic exports in January, generally a low month, totalled $31,561,813 compared with $38,366,699 in the same months of 1932. Imports amounted to $24,441,133 compared with $34,114,507.

METROPOLITAN LIFE INSURANCE COMPANY

Annual Report to the Holders of 42,672,418 Life Insurance Policies

DURING the past year this Company has maintained its strong position in the life insurance field.

Metropolitan's Life Insurance issued, revived and increased in 1932 amounted to more than Three and a Quarter Billion Dollars.

The income for 1932, the largest in the Company's history, showed an increase over the previous year of $14,859,229.33 and amounted to $921,953,100.70.

The Metropolitan in 1932

—paid to policyholders $562,804,650.79
—added to policy reserves $109,755,306.00
—set aside for dividends to policyholders in 1933, $101,685,956.00
—increased its contingency reserve by $26,550,000.00
—increased its surplus by $13,541,501.95.

The assets of the Company at the end of 1932 were $3,769,372,425.28, an increase of $179,256,771.56 during 1932. New investments made in 1932 amounted to over $300,000,000 and cash on hand was increased to $64,025,923.35.

After making provision for policy reserves and other liabilities, and after the apportionment of $101,685,956.00 for dividends, the Company held, on December 31st, 1932, a contingency reserve of $43,000,000, and a surplus of $240,811,739.47 — a total of $283,811,739.47.

The strength of a life insurance company lies in the spread of its obligations over a long period of years and in a sound policy of diversification of investment pursued through the years under expert guidance and in accordance with conservative investment limitations prescribed by law.

Metropolitan assets consist of

Cash	1.70%
Bonds—Federal, State and Municipal	7.70%
Bonds—Railroad	18.00%
Bonds—Public Utility	9.03%
Bonds—Miscellaneous	3.28%
Stocks—(Preferred 2.028%; Common 0.002%)	2.03%
Mortgages on Real Estate City 34.42%; Farm 4.38%	38.80%
Real Estate (including foreclosed properties)	2.78%
Loans to Policyholders	12.63%
Premiums, deferred and in course of collection	2.01%
Interest due and accrued, Rents, etc.	2.04%

The favorable mortality experience of the Company in 1932 has followed its careful selection of business and the continuation of its health and welfare activities.

During the year 1932 many leading corporations of the country paid millions of dollars to the Company for contracts covering their employees for Group Life, Health and Accident protection and for future Retirement incomes under some of which continuing payments on the part of the Metropolitan will extend into the next century.

Life Insurance is the most effective way of providing for the future of one's self and one's dependents. Through the Metropolitan Life Insurance Company one-fifth of the people of Canada and the United States are making such provision.

Report for the Year Ending December 31, 1932

(In accordance with the Annual Statement filed with the New York State Insurance Department)

Assets (*Greater than those of any other financial institution in the world*)		$3,769,372,425.28
Liabilities		
Statutory Reserve		$3,195,064,184.00
Reserve for Dividends payable in 1933 upon		
Industrial Policies	$50,648,419.00	
Ordinary Policies	48,756,772.00	
Accident and Health Policies	2,280,765.00	
Total Dividends		101,685,956.00
All Other Liabilities		188,810,545.81
Contingency Reserve		43,000,000.00
Unassigned Funds (Surplus)		240,811,739.47
		$3,769,372,425.28
Income in 1932		$921,953,100.70
Increase in Income during 1932		$14,859,229.33
Increase in Assets during 1932		$179,256,771.56

Note — The values used for stocks and for bonds not subject to amortization are those furnished by the National Convention of Insurance Commissioners.

Paid-for Life Insurance Issued		
Revived and Increased in 1932		$3,273,178,268.00
Ordinary	$1,571,593,135.00	
Industrial	1,555,395,118.00	
Group (Excluding Increased)	146,190,015.00	
Dividends Paid to Policyholders to date plus those declared for 1933		$823,137,177.61
Life Insurance in Force		
Ordinary Insurance		$9,903,141,559.00
Industrial Insurance (premiums payable weekly or monthly)		6,535,046,064.00
Group Insurance		2,542,555,585.00
Total Insurance in Force		$18,980,743,208.00
Policies in Force (including 1,349,680 Group Certificates) (*More than those of any other life insurance company in the world*)		42,672,418
Accident and Health Insurance Outstanding		
Principal Sum Benefit		$1,345,345,796.00
Weekly Indemnity		12,341,911.00

CANADIAN BUSINESS

Insurance in force in Canada at end of 1932		$1,030,990,785.00
Ordinary	$577,634,174	
Industrial	385,943,647	
Group	67,412,964	
Insurance issued in Canada in 1932 (*including business revived and increased*)		$222,873,450.00
Ordinary	$120,577,748	
Industrial	99,587,243	
Group (excluding increased)	2,708,459	

Investments in Canada		$241,509,393.15
Dominion and Dominion Guaranteed Bonds	$ 46,646,458.69	
Provincial, Municipal, Provincially Guaranteed and Municipally Guaranteed Bonds	112,175,423.49	
All other investments	82,687,510.97	
Policies in force in Canada (*including 38,109 group certificates*)		2,761,136
Ordinary	390,246	
Industrial	2,332,781	
Group (certificates)	38,109	
Payments to Canadian Policyholders in 1932		$28,127,863.01

METROPOLITAN LIFE INSURANCE COMPANY – Home Office: NEW YORK

Canadian Head Office: OTTAWA

FREDERICK H. ECKER
President

HARRY D. WRIGHT
Third Vice President and Manager for Canada

LEROY A. LINCOLN
Vice President and General Counsel

This is a mutual Company. There are no stockholders.

CANADIAN HEAD OFFICE: OTTAWA

All of its assets are held for the benefit of its Policyholders.

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, FEBRUARY 25, 1933 | 10c a Copy; $5.00 a Year | No. 8

MILK TO DRINK IS TWICE PRICE OF OTHER MILK

World Prices Govern Except in Zones Around Cities

PROFITS DIFFICULT

Ice Cream Was Losing Venture in 1932 — Butter Manufacturers Out of Luck

While some members of parliament are strongly urging an investigation into the spread between the prices paid for milk to the producer in the country and the price paid by the consumer in the city for liquid milk, it is estimated by dairymen that from 60 to 75 per cent of Canadian milk is being sold by producers for prices far below the prices paid to farmers by city milk distributors. Cities and towns can drink only from 25 to 40 per cent of the milk and cream available in Canada, according to varying estimates, and the remainder must be sold to make butter, cheese, milk powder or evaporated milk. Because prices of these products are controlled entirely by world markets and not by the manufacturer himself, farmers in 1932 were paid as low as 65 cents a cwt. for milk bought to make these products. The price of $1.25 net a cwt. to producers selling to milk distributors in the cities looks very good to such farmers.

Low-Paid Farmer Restive

The man supplying the city with milk is generally in a certain zone contiguous to the city. He is able to obtain a reasonably good price as a rule because his product is sold as liquid milk to the consumer. Not very far from him, but outside that zone contiguous to the city, is the producer with just as good a farm and just as good a herd but who has not a city contact. Where the man within the zone nets $1.25 a hundredweight for his milk, the man selling for butter, cheese, milk powder or evaporated milk is only able to net 60, 70 or 80 cents a hundredweight. This situation probably contributes more to prevailing unrest about milk prices paid farmers than anything else. Nobody was dissatisfied in the old days when cheese was 20 cents a lb. and butter 50 cents a lb. and milk prices two or three cents higher than they are today. Even the consumer made little protest. But with the major portion of the milk going into the cheaper products and bringing a comparatively poor price, those producers envy the city distributor and the farmer who supplies him.

Consumer Benefits

The consumer is paying from 30 to 40 per cent less for his milk than he did three years ago. The old rule was that with each reduction the producer and distributor took an even share of the reduction. If this rule were made applicable now, one expert says that practically every distributor in the business would be put out of commission. It was followed as long as possible but the distributor has certain fixed expenses in his city plant that he cannot control as well as the farmer can control his expenses. The farmer has had rising taxes, but the distributor thinks his have risen faster and higher. Reductions in salaries in city organizations cannot go so far as they do in the country because fixed expenses of employees, such as rents, street car fares, food, etc., also stay higher than in the country and are harder to reduce.

Ice Cream Volume Halved

Lower cream prices are bringing increased competition in ice cream. In addition to that, during the peak period, in order to stimulate sales of ice cream, most of the large distributors equipped their customers with expensive iceless cabinets, which—in the light of today's sales — are a considerable burden. Due to the depression and aggravated by the cool summer, sales of ice cream throughout Canada in 1932 were down between 45 and 50 per cent of the peak sales of 1928 and 1929. Most of the dairymen have hundreds of thousands of dollars tied up in equipment to make ice cream. They are required to give an adequate service to put customers in a good position to merchandise the product, but when this was done with sales 50 per cent of normal, no one made any money. Even the customer, if he pays any rental or service charge on his cabinet, finds that under present conditions he cannot sell enough ice cream in many cases to justify the expense. The manufacturer therefore finds himself carrying an exceptionally heavy overhead due to investment in equipment and delivery charges, making it difficult for him to find any margin for profit.

Taxes Increase Loss

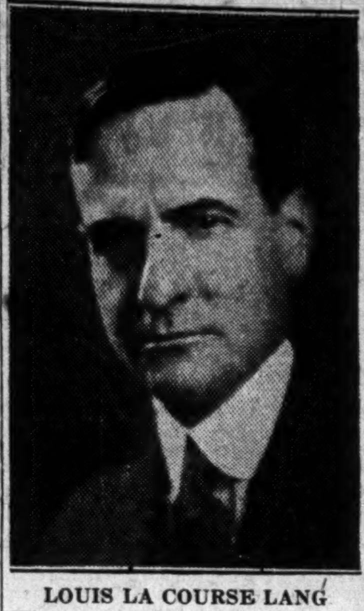
The action of the Dominion Government in adding a six per cent sales tax in 1932 also added from eight to nine cents a gallon to the cost of ice cream. As under these conditions it was possible to add the cost to the ice cream sold, this amount became a dead loss. It is difficult to take the total volume of any business and cut it in two without destroying profits, and in a business which requires such a large capital investment as that of making and distributing ice cream, such a cut makes a serious situation. The tax aggravated this situation, causing some firms increased expenses of tens of thousands of dollars.

One butter maker told The Financial Post that he doubts very much if any creameries are making a dollar today. The overrun in manufacturing creamery butter—in other words, the increase in weight added to the butterfat through process of manufacturing —has generally been recognized as due to the creamery to cover its cost of gathering, manufacturing and distributing. With this increase in weight about 24 per cent and butterfat at 40 cents a pound, the distributor would have 9.6 cents per pound to cover all expenses and possibly to add some little premium to the producer.

Out of 100 pounds of butter the government permits the addition of 16 per cent moisture, which costs very little. At one time something like three to four pounds of salt were added, but this has been reduced now in the best butter from 1½ to two per cent. There is a certain percentage of curd that is retained in the manufacture, so that about 81 pounds of actual butter fat would yield 100 pounds of butter. If the butter fat cost 40 cents a pound the 81 pounds would cost $32.40 and if butter were selling at 40 cents a pound the manufacturer would get $40 for his 100 pounds of butter and thus have a margin of $7.60. From this margin he would have to pay for his drawing, manufacturing, his boxes and the cost of his sales distribution. Today with 81 pounds of butterfat costing 20 cents, or a gross of $16.20, and selling at about $20 he gets $3.80, and must try to do all the things with this $3.80 that he did before. Naturally he has to cut wherever he can and he cannot meet the ideas of the farmer who still wants to sell his butterfat at the price of butter. If that price were paid, manufacturers state that the margin represented in the overrun would be insufficient to meet the cost of operation. Creamery men all over Canada have been taking losses as things are.

Milk prices throughout the cities in Canada have been varying from seven cents to 10 cents where formerly they ranged according to the location and size of the city from 10 cents to 14 cents. Everybody concerned, farmer and distributor, is meeting difficulty.

New President



LOUIS LA COURSE LANG

Who succeeds the late C. M. Bowman as head of the Colonization Finance Corp.

CONSIDER MERGING TORONTO 'CHANGE STANDARD MINING

Negotiations Resumed to Make Joint Mart Second Only to N. Y.

After a lapse of some months negotiations have been resumed for a merger between the Standard Stock & Mining Exchange and the Toronto Stock Exchange.

Some months ago, after negotiations had failed to bring about a merger of the two exchanges, an agreement was reached whereby the Standard Stock & Mining Exchange would delist industrial securities and in return the Toronto Stock Exchange would delist mining securities. The only mining stocks appearing on both boards are International Nickel and Consolidated Smelters.

The move has not worked out to the immediate advantage of the Toronto Stock Exchange because shortly following this arrangement a market developed in the gold stocks that precipitated trading on the Standard Stock & Mining Exchange such as has not been seen since the boom days of 1929. While the sales on the Standard Exchange were counted in the hundreds of thousands those on the Toronto could be counted in the thousands.

Combined Strength Next to N. Y.

The question of merger of the exchanges is viewed by the public as having many interesting angles. It would make the combined resources and trading facilities of these two exchanges second only to the New York Stock Exchange on this continent. Leading members of the Standard Stock Exchange state that it would mean some sacrifices on their part at the outset owing to the necessity of sharing the present active business with the Toronto Exchange members, but they take the longer view that ultimately the prestige obtained by the combined exchanges would lead to an expanded ticker service being developed across the Dominion with facilities for trading that have not heretofore been possible.

The Toronto Stock Exchange owns its own building and has a large liquid surplus. The Standard Stock & Mining Exchange is reported to be in a good liquid position and owing only the mortgage on its Temperance Street premises. Its income takes care of all expenses. The lease on its former premises on Richmond Street has three years yet to run, but is said not to put any undue drain on the Exchange's financial position.

The whole discussion of the merger of the exchanges has been adjourned for a brief period in order that both parties may iron out the points of contention.

The Standard Stock & Mining Exchange has 51 members while the Toronto Stock Exchange has 62 members; the former is headed by G. W. Nicholson, while G. G. Mitchell is president of Toronto Exchange.

Old Gold Standard Brought Up-to-Date Urged by Experts

Programme for World Economic Conference Envisions Return to Gold Without Bimetallism, Inflation or Managed Currencies

When the World Economic Conference meets it will have before it an exhaustive study of the world monetary question drawn up by a committee of experts.

The report of the preparatory committee is a moral victory for gold and a slap in the face for the bimetallists, the inflationists, and the advocates of managed currencies.

The experts want the world back on the "free international gold standard." At the same time they want a workable gold standard. They have few illusions as to gold.

No Acceptable Substitute

It is significant that the preparatory committee, in their extensive report, do not seem to regard it as necessary to argue in favor of the restoration of the gold standard They take it for granted that the international gold standard will be restored since the world has not found another international standard universally acceptable. They confine themselves to discussing how to make the gold standard work.

Thousands of words of discussion, technical and otherwise, in the experts' report present the issue of the gold standard and its manifold problems to the World Economic Conference. Boiled down to a few hundred words these following are the questions the experts think the world must face in its discussion about gold:

Conditions of Restoration

Since the gold standard has failed to work satisfactorily under post-war conditions what then are the conditions under which the gold standard can be restored? Say the experts:

First, solve the major outstanding political problems so that countries will feel free to trust gold again:

Second, redistribute gold more equitably throughout the world in order to enlarge the inadequate supplies in some countries. (This to be done by settling the war debts problem, granting greater freedom to trade, freeing foreign trade from exchange restrictions and permitting capital to flow more freely.

Third, nations must learn to play the gold standard game according to the rules.

Fourth: Countries must improve their internal positions (by balancing budgets, avoiding currency inflation to meet governmental expenditures, etc.)

Preliminary Steps

That is a picture of the ideal re-created world in which the gold standard will work. What are the preliminary steps in the direction of creating such a world atmosphere for the restoration of gold?

The committee thinks that there are some countries off the gold standard that could restore the standard at once thus giving a good example to others.

Other countries are not in such a happy position: They do not even know at what rate of exchange they want to go back on gold. It is just as bad to go back on gold at too low a rate of exchange (the reference probably is to France's writing down of the franc) as at too high a rate (the reference is probably to Britain's goinng back on the gold standard at the prewar parity)

No Mention of Content

It will be observed by Canadians that the experts do not assume that when the gold standard is universally restored (as they hope it will be) there is necessarily involved the adoption by all countries of their former parities. Thus Stephen Leacock's scheme to put 17 grains instead of 23 grains in the Canadian and possibly in the U.S. dollar is not barred out.

In any event while the countries are making up their minds about their monetary policy, and while the events are shaping themselves for a restoration of the gold standard there are some things that need to be done. The idle hours of waiting can be improved—not to mention shortened—the committee thinks, by various measures which are not the same for different groups of countries.

For Gold Countries

First there are the countries that have remained on gold and that have abundant monetary reserves. For them, these policies are suggested:

1. Liberal credit policy, low money rates, conversions of all long-term debts at low rates.
2. Open market operations to make credit plentiful:
3. Free export of gold without restriction;
4. Liberal investment of capital abroad.

For Non-Gold Countries

Second, there are the countries that are off the gold standard. For them, these policies:

1. Avoidance of competitive currency depreciation to obtain trade advantages;
2. Smoothing out exchange fluctuations by curtailing speculative operations.

Exchange Restrictions

Third, there are the countries, whether on gold or not, that have formidable foreign exchange restriction. For them these policies:

Abolition of these resrictions as rapidly as possible, first with regard to foreign trade, second with regard to capital movements. All this in an atmosphere of co-operation with other nations, the Bank for International Settlements, the League of Nations, etc; in order that the interests of the country may be protected while it makes its contribution to world recovery.

Rules of Game

The world knows that the gold standard has failed to work properly: hence world crisis. No one wants to go back to the gold standard if it is going to break down again. Here are the policies, think the experts, that will avoid a breakdown of the operation of the gold standard in the future:

First, take and keep central banks out of politics:

Second, make more effective use of the world's monetary gold stocks by:

Reducing the gold reserve requirements against currencies from the present ratio (considered too high) of 33 to 40 per cent;

Readopting the gold exchange standard but with some safeguards to avoid the troubles of recent years;

Greater use of coins to reduce quantity of gold backed notes;

Greater use of cheques for same reason;

Better distribution of the world's gold reserves (now concentrated to the extent of 80 per cent in five countries by freer movement of goods and capital and less reliance upon gold movements to settle foreign liabilities.

Bimetallism

Bimetallism gets short shrift from the experts. They say, in effect:

Bimetallism presupposes a fixed relation between the values of gold and silver and it works only if the most important countries agree to fix and maintain this ratio. Since they are unlikely to do this bimetallism is impractical.

Also impractical is it to have governments or central banks buy silver as additional backing for currency as there would be no fixed international value for the silver.

Attempts on the part of the governments to raise the price of silver artificially would be futile. But they could help by putting more silver coinage in circulation to replace currency notes. Rise in the price of silver, if it comes, will result from better marketing methods, the development of new industrial uses and a rise in commodity prices which will carry silver along with it.

Many Related Points

It will be observed that in the discussion about gold there has been reference to the need for more liberal credit policies; to resumption of foreign lending by the countries with huge supplies of gold, to elimination of many of the present restrictions on foreign trade, etc. Thus no discussion of gold is complete without reference to these issues. All the factors in the situation are tied in together Therefore it is relevant to the gold argument to outline, in similar concise fashion the other points offered by the experts for consideration at the World Economic Conference.

Prices

There is the problem of the price level. Higher prices are not in themselves a necessity; Equilibrium in prices is the primary desideratum. But a rise in prices will aid in recovering that equilibrium. The four points on price equilibrium:

1. Obviously one way of restoring lost equilibrium is to cut costs. This involves wage reductions. Some countries can cut wages and costs more than others. And while costs can be cut the burden of debt remains undiminished.

2. Therefore a rise in prices ought to be considered as a way of restoring equilibrium. Prices can be raised by:

Limiting supply;

Liberalizing creidt and getting interest rates down;

Restoring public confidence in currencies and in the financial stability of governments, thus freeing the international trade so that deferred buying power will be released. In this connection large programmes of public works are frowned on as they would interfere with conversion schemes, prevent interest rates coming down and would disturb public confidence by deteriorating public credit;

International lending, to put purchasing power in the hands of countries short of capital.

Tariffs and Capital

How are capital movements to be restored. The experts have some suggestions:

They think there might be a "monetary normalization fund" under the Bank for International Settlements to stimulate movements of short term funds.

But primarily capital will flow more freely as restrictions to international trade are levelled. And this brings the world face to face with tariff policies. Urged is a general agreement for reduction of tariffs and maintenance of more moderate tariffs.

By a customs truce countries should agree to stop increasing their tariffs. To get them down now, they should agree to some modified scheme of percentage reduction all round. In any event there are four ways of getting tariffs down. They are:

By a general agreement of the conference;

By a collective agreement of a group of governments;

By bilateral treaties;

By individual action by different governments on their own initiative.

Will Meet in London

The World Economic Conference will be held in London. Rt. Hon. Ramsay MacDonald will be chairman. The date will not be arranged until after March 4. It is not likely to be before June at the earliest.

In the meantime the concession made by the British government to American opinion—that all economic problems should be considered by the British and the Americans in their war debt negotiations —suggests that Great Britain and the United States may approach the conference with some measure of agreement between themselves as to what can and should be accomplished.

This is based upon the belief, rather widely held, that the two key countries in world recovery are the United States and Great Britain. If they can agree on a programme of world recovery, three quarters of the work of the conference is done.

EARNINGS DOWN OF GOODYEAR TIRE LIQUIDS STRONG

Covered $1.62 of $5 Com. Dividend—Surplus is Very Large

TAXES JUMPED

Inventories Affected By Rubber and Cotton Drop —Foreign and Domestic Sales Affected

Goodyear Tire and Rubber Co.'s profit of $717,753 for 1932, as shown by the financial statement, covered preferred dividends of $509,743 with $208,410 over to apply on common dividends of $643,150. These profits were calculated after deducting depreciation of $745,900 at the usual rate employed even in boom years and dividends brought the previous surplus to $7,230,422, or $435,140 less.

Profits were slightly less than half of the $1,450,011 shown in the calendar year of 1931. After fully covering the 7 per cent dividend on 72,608 shares of $100 par value, profits were equivalent to $1.62 a share on 128,630 no par value common shares. These common shares carry a dividend of $5 a share.

CONS. INCOME AND SURPLUS ACCT.
Year Ended Dec. 31

	1932 $	12 Mos. Ended Dec. 31 1931 $	15 Mos. Ended Dec. 31 1931 $
Profit after inc. tax	1,463,658	....	2,746,681
Depreciation	745,900	....	1,043,695
Net profit	717,753	1,450,011	1,702,986
Pref. divd.	509,743	1,157,356	642,758
Com. divd.	643,150		803,937
Surp. for period	*435,140	292,655	256,291
Previous surp.	7,665,562	7,372,907	7,409,272
Balance fwd.	7,230,422	7,665,562	7,665,563

*Deficit.

Uncontrollables Get Worse

C. H. Carlisle, president and general manager attributed the decrease in the net profits for 1932 to severe fluctuations in market prices of crude materials during 1932, to reduction in export and domestic business, to increased unit costs as a result of reduced production, to high premiums on United States funds required for purchases, to increased demand by the public for lower-priced tires, to heavier credit losses and to increased taxation.

Rubber decreased 42 per cent from the high point during 1932, while cotton decreased from 9-1/5 cents a lb. to 5 cents a lb. or more than 45 per cent.

The Canadian rubber industry in 1932 showed a reduction of 45 per cent in export business as compared with the sales of the previous year. Goodyear Tire was a large exporter of rubber products and was therefore adversely affected by these decreases. Inadequate exchange facilities, depreciation of currency in foreign countries, high tariffs and boycotts caused this decrease in export business. Mr. Carlisle calculated that if the annual adjustment of inventories in respect of foreign business had been on the same basis as in previous years, the total profits before depreciation would have been $1,682,311 and the net profit $936,411.

Taxes are Incubus

The whole Canadian rubber industry showed declines of 21 per cent in unit sales of tires to the domestic trade, and Goodyear slightly increased its percentage share of the available business. With output of passenger cars dropping from 69,826 in 1931 to 42,202 in 1932 and trucks from 13,830 in 1931 to 7,876 in 1932, consumption of rubber products was decreased.

This company, like many others, found taxes a growing obstacle to business. New taxes were imposed and other taxes increased. In April 1932, the rate of sales tax was increased from 4 per cent to 6 per cent and the excise tax on all importations increased from one per cent to 3 per cent. In Ontario the corporation tax was extended to include a revenue tax in addition to the tax on capital. Municipal taxes had also increased. The total taxes paid by the company, exclusive of Federal Income tax and duties paid on imported materials, increased more than 35 per cent

Working capital remained at about the same level but the ratio of current assets to current liabilities increased from 25 to 1 to 37 to 1.

Working Capital

	1932 $	1931 $
Current assets	10,337,926	10,479,158
Current liabs.	276,073	420,280
Working capital	10,061,853	10,058,878
Ratio	37.4—1	24.93—1

Although cash declined during the year from $1,057,344 to $684,544 call loans and government bonds at the market increased from $4,747,661 to $5,873,488. Receivables were down nearly $61,000 and inventories down $833,556.

Among current liabilities, payables went up $20,670 to $198,731 while the reserve for taxes decreased by $164,877 to $77,342.

During the year the company retired bonds of Goodyear Cotton Co. of Canada, in accordance with the sinking fund requirements, to the extent of $45,000 and decreased the preferred stock also by $85,000. Necessary additions to plant and equipment were $134,785.

Economic History Repeats Itself

Wisdom and Fallacy Down the Ages

PRICE FIXING IN 1639

"In 1628 the price of tobacco in silver had been 3s. 6d. per pound in Virginia. The cultivation increased so rapidly that by 1631 the price had fallen to 6d. In order to improve the price, steps were taken to restrict the amount grown... These measures were ineffective. The price continued to fall. In 1639 it was only 3d. It was now enacted that half of the good and all of the bad should be destroyed and that thereafter creditors should accept 40 pounds for 100; that the crop of 1640 should not be sold for less than 12d; nor that in 1641 for less than 2s. a pound. This law proved ineffectual...but it caused injustice between debtors and creditors."—*"The Story of Money," by Sir Norman Angell.*

DEBTS IN EGYPT—ABOUT 3,500 B.C.

"In the reign of this king (Asychis), it is said, the circulation of money was so straitened, that a law was instituted by the Egyptians, that to redeem a debt, the person that owed the money was to pledge the dead body of his father: to this law was appended another, that the creditor should have the power of seizing the whole of the sepulchral deposits belonging to the debtor. He who, after giving this pledge, failed to cancel the debt, was subjected to the following punishment: he was not himself to receive burial at death, whether in the family sepulchre or any other; neither was any of his posterity to be deposited in a tomb."—*Euterpe (Book II) of Herodotus (471?-396? B.C.).*

"TEMPORARY ACTIVITY"!!

"The rapid development and adoption of machinery have brought what is commonly called over-production...

"It is true that the discovery of new processes of manufacture will undoubtedly continue, and this will act as an ameliorating influence, but it will not leave room for marked extension, such as has been witnessed during the last 50 years, or afford employment to the vast amount of capital which has been created during that period."

"Supplying themselves with full facilities for industry and commerce will give to each of the great nations of Europe and America something to do, but the part of each in this work will be small—and far from enough to ensure more than temporary activity."—*Extract from the first report from United States Commissioner of Labor, 1886.*

SASK. MEMBERS HAVE MANY PLANS TO ADJUST DEBTS

Legislature Must Take Cognizance of Variety of Viewpoints

From Our Own Correspondent

REGINA. — Debt adjustment in Saskatchewan is proving much more difficult to deal with in the provincial legislature than was anticipated at the opening of the session. Private members desire much more drastic action than the government had planned or considered either desirable or practicable. At the opening of the session the government announced the measure of relief that had been extended to farmers indebted to the Saskatchewan Farm Loans Board, principally in the way of forgiveness of one year's interest.

It also announced the concessions that had been agreed upon by mortgage companies. These in effect amounted principally to the funding of arrears of interest, to be payable over a period of five years, provided farmer debtors would agree to delivery of one-third of each year's crop to apply against mortgage indebtedness. The mortgage companies had made it clear that while they were, in individual cases, making some adjustment of indebtedness and definitely writing off some portion of money due, they were not prepared to accede to any blanket measures of this nature. The Saskatchewan government had acquiesced in this view, although it planned to increase to some extent the protection against foreclosure which is already contained in the provisions for debt adjustment boards.

It developed upon the opening of the session that many private members wanted a great deal more than this. The notion of some general writing down of indebtedness to correspond with the fall in prices of farm products was very prevalent. The most extreme idea was to provide that debts might be legally settled by the delivery of as many bushels of wheat as would have been equivalent to the amount of debt when first incurred, with provision for payment over a term of years. A modification was to establish a basic wheat price of from 70 cents to $1 a bushel for the payment of debts, and crediting interest payments, or payments on principal, in whatever proportion that bears to the current price of wheat.

That is essentially the plan that has already been adopted by the Imperial Oil Co. and also to some extent by other interests. Legal reduction of interest rates also finds some favor.

Those who are pressing for legal establishment of such plans are not satisfied by either voluntary or forced forbearance on the part of creditors so far as immediate payments are concerned. It is argued that postponement of collection is simply putting off the day of reckoning.

It is not going to be an easy matter to get the proponents of these various schemes to be content with such a bill as the government considers sound. Private members of the Saskatchewan legislature are much less under the domination and direction of their political leaders than appears to be the case in either Manitoba or Alberta where the establishment of farmer governments resulted in much tighter organization than has been possible in Saskatchewan.

So tense was the feeling on the subject of debt legislation that a peculiar expedient was adopted. A committee of 10 members was, by resolution, not "appointed," or given any responsibility to report back to the legislature, but "recognized." It is to be a combination of clearing house for ideas and of steering committee, and it is hoped that through its efforts a bill may be drafted that can, without controversy, be put through the house.

One step appears already to have been agreed upon. Under existing legislation a debtor who desires protection against seizures on the part of creditors, may appeal to a debt adjustment board for a restraining order. It is planned to reverse this, so the initiative with respect to submitting any debtor's case for consideration must be taken by a creditor, who will need a certificate of approval from a debt adjustment authority before he can commence any action for recovery. Instead of appointing a large number of new boards it is planned to give Saskatchewan judges a wide measure of power as debt adjustment authorities.

Coupled with their authority to issue or withhold certificates to enable legal action to be taken against debtors, so it is planned, is to be power to adjust debts by writing down principal, by reducing interest rates, or by arranging deferred payments. But it appears probable that orders for such adjustment will be made only with the concurrence of all creditors concerned, and that existing priorities with respect to security will not be disturbed.

The proposals made to Saskatchewan by the Dominion Mortgage & Investment Association representing insurance companies and trust and loan companies were briefly as follows:

1. Where a resident operating farm mortgagor is in arrears of interest for more than one year the interest in arrears may be extended for five years providing that the mortgagor will pay in each of the five years current taxes and the required portion of consolidated tax arrears; current year's mortgage interest together with one-third of years interest to apply on mortgage account.

2. If the above payments are made, the lending institution will not ask payment of principal or charges during the term of extension except those payable from proceeds of the crop lease. The agreement between the mortgagor and mortgagee will contain a crop share lease provision whereby the mortgagee will receive a one-third share of all crops grown on the mortgaged land. Proceeds of this one-third share will be applied on current interest payments and any surplus to be applied on mortgage account.

3. During 1933 the mortgagee will accept one quarter share under the crop payments act where payment of one third would not permit the mortgagee to meet current living and operating expenses and taxes.

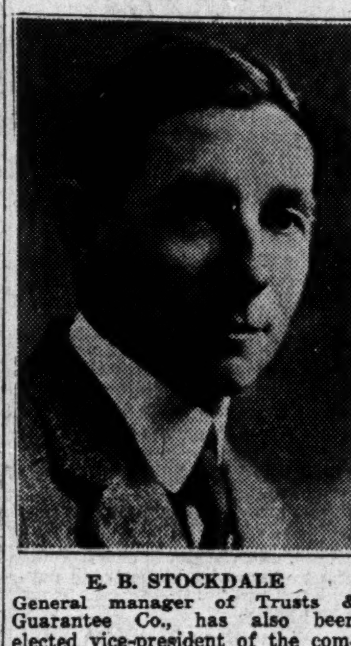
4. The lending institutions expect that there will be extension and consolidation of taxes.

The above plan would apply to farm borrowers only. It is stated that the policy of lending institutions has been and will be to make adjustments according to the circumstances of the individual case. It is pointed out that the lending companies are themselves borrowers and have large obligations to policy holders and depositors in western Canada.

"It should be remembered that mortgage debt has priority over most other claims and that it represents actual cash loaned to the mortgagor on definite security. Very few farmers, if any, have ever been dispossessed of their lands solely because of mortgage indebtedness. The insuperable burden was created by debts coming subsequent to the mortgage.

"The lending institutions therefor cannot make concessions in mortgage indebtedness where the value of the property is in excess of the mortgage, or where there is potential ability to pay. When, however, the security has become impaired and the borrower cannot repay in full concessions must obviously be made in order to keep good farmers on the land, which is invariably the wish of the lending institutions."

Moves Up



E. B. STOCKDALE

General manager of Trusts & Guarantee Co., has also been elected vice-president of the company.

R. C. BERKINSHAW IS NEW MANAGER OF GOODYEAR TIRE

C. H. Carlisle Remains as President — Reviews History of Company

Retirement of C. H. Carlisle from the position of general manager of the Goodyear Tire and Rubber Company of Canada, Limited, and appointment of R. C. Berkinshaw as general manager, was announced following the annual meeting of the shareholders of the company on February 20. Mr. Carlisle continues as president, having occupied this position as well as that of general manager for 20 years.

Organized in 1910

In tendering his resignation as general manager Mr. Carlisle reviewed the history of the company since it was organized in 1910, and began business at 85 Queen Street East, Toronto, in a room 30 ft. by 80 ft. with a basement of the same size, its assets consisting of less than $100,000 worth of merchandise purchased from the Goodyear Akron Co. A year later the company purchased the assets of the Durham Rubber Co. at Bowmanville, which had been losing money, and commenced manufacture of tires, accessories and mechanical rubber goods. The plant was added to and by 1916 had been outgrown.

Land was bought at New Toronto and one of the most modern tire plants in the country erected, the Bowmanville plant being reserved for the manufacture of mechanical rubber goods. In 1926 the assets of the Canadian Manhasset Cotton Company at St. Hyacinthe, Quebec, were purchased and the Goodyear Cotton Company of Canada, Limited, formed. This plant can produce monthly about 850,000 pounds of fabric.

Over the greater part of the company's history the plants have operated to full capacity. The tire division has produced over 17,000,000 pneumatic automobile and truck tires, and production of other lines has been in about the same proportion. Net earnings over 23 years have aggregated $23,831,371.

F. N. BURT PROFITS $1.63 ON COMMON DIVIDEND REDUCED

Built Up Surplus in Prosperity, Give Shareholders Advantage Now

CASH IS HIGH

Company Had Profit in Every Month of 1932—Reduced Costs With Prices

F. N. Burt Co.'s profits of $179,607 for 1932 are equivalent to $1.63 a share on 107,544 shares of $25 par value as compared with $286,786 or $2.62 a share in 1931. During the eight years from 1925 to July 1932, inclusive the company paid dividends at the rate of $3 a share per annum on the common stock, but on account of the increasing severity of the depression the quarterly rate was reduced in July, 1932, to 60 cents a share. S. J. Moore, president, announces to the shareholders that a further reduction is being made to 50 cents a share quarterly or $2 a share per annum payable in Canadian funds, with the April dividend. Hitherto payment has been made in United States funds.

CONS. INCOME AND SURPLUS ACCT.
Years Ended Dec. 31.

	1932 $	1931 $
Net earnings	420,315	532,161
Less: Deprec.	192,730	188,776
Federal taxes	24,000	33,000
Patent amortization	23,979	23,599
Net profit	179,606	286,786
Less appropriations:		
Pref. divds.	4,327	4,587
Common divds.	274,191	322,137
Surplus for year	*98,912	*39,938
Add: Prev. surplus	1,146,910	1,186,848
Bal. carried fwd.	1,047,998	1,146,910

*Deficit.

Although business is still at low ebb and the outlook uncertain the present dividend is slightly in excess of the earnings shown in 1932. Mr. Moore points out that during the five years from 1925 to 1929 inclusive, more than $600,000 was added to surplus account while dividends were kept steadily at $3 per annum. During the period of increasing severity of the depression the company has not been unmindful of the fact that its 1,622 shareholders are dependent upon income from their investment, and so there has been some trenching on surplus but not to a serious extent.

Despite the difficulties of 1932, Mr. Moore states that expenses have been so adjusted to the reduced volume of selling prices that the cost to manufacture and sell, apart from fixed overhead items, was practically the same in percentage in 1932 as in 1929. Moreover each month of the year produced a profit.

The balance sheet shows a ratio of fixed assets to fixed liabilities of 8 to 1, as compared with 7.13 to 1 a year earlier.

Working Capital

	1932 $	1931 $
Current assets	1,495,616	1,527,354
Current liabs.	180,711	214,119
Working capital	1,314,905	1,313,235
Ratio	8.29—1	7.13—1

Among the current assets, cash and receivables are still high and inventories down somewhat at $662,413.

Among the current liabilities accounts payable strike a new low at $87,596.

The only increase in fixed assets was in machinery and equipment which rose from $2,378,241 to $2,509,206 in the year, while the reserve for depreciation was increased from $1,964,065 to $2,131,112.

General Trust Profits Show Moderate Drop

From Our Own Correspondent

MONTREAL.—Net profits of General Trust of Canada in 1932 were $85,574 compared with $99,675 in the previous year. Dividends on the preferred stock were maintained at the rate of 6 per cent and profits were equal to $7.78 a share against $9.06 a share in the preceding period. Surplus was increased by $19,574 to $161,537.

Condensed balance sheet shows assets in capital account higher by $44,000 at $1,367,815 and an increase of $4,341,000 in estates, trusts and agency account. Guaranteed accounts are down $200,000 at $1,312,475.

In liabilities a reserve of $15,000 for depreciation in investments has been established. Capital structure of $1,100,000 preferred and $5,000 of common stock is unchanged.

Board of directors was re-elected without change for the current year.

DOM. FOUNDRIES NET EARNINGS SHARPLY DOWN

Draws on Surplus to Meet Preferred Dividend; Cash is Lower

Showing a sharp reduction in net earnings during 1932, the annual statement of Dominion Foundries & Steel Ltd. gives little prospect of improved demand for steel during 1933 but C. W. Sherman, president of the company, states that future demand cannot go much lower and may increase. Net earnings in 1932 were $58,376 as compared with $400,435 in 1931, necessitating reduction in provision for depreciation to $50,000 from $250,000 in 1931.

Preferred dividends were continued at the rate of 6 per cent but were largely drawn from surplus which was reduced to $743,290 from $787,807. Income and surplus account for the past two years is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1932	1931
	$	$
Net earnings	58,376	400,435
Less: Depreciation	50,000	250,000
Int. paid & accr.	7,499	13,282
Res. for taxes	......	13,500
Net profit	877	123,653
Less appropriations:		
Bond disc. & exp. w/o	......	11,750
Pref. dividends	43,194	43,194
Surplus for year	*42,317	68,709
Add: Prev. surplus	787,807	719,098
Less: Addit. inc. tax	2,200	......
Balance carried forward	743,290	787,807

*Deficit.

Working capital was reduced but ratio of current assets to current liabilities is higher. Cash is down to $7,534 from $76,627 and accounts receivable to $75,744 from $144,467 while inventories are higher at $388,175 against $299,355 in 1931. Chief increase in inventories is in raw materials and supplies up to $240,046 from $177,866. Accounts and bills payable are down to $73,003 from $80,958; accrued wages and salaries down to $14,670 from $28,654 and income tax reserve to $3,952 from $14,252. Working capital position is as follows:

Working Capital

	1932	1931
	$	$
Current assets	476,649	545,421
Current liabilities	94,862	127,102
Working capital	381,787	418,319
Ratio	5.02—1	4.29—1

Investment in Adirondack Steel Foundries Corp. remains unchanged at $236,492; unexpired insurance is $6,042; goodwill remains at $1,065,889 and lands, buildings and equipment after providing for depreciation reserve are carried at $3,139,661. There still remains $111,000 of 7 per cent first mortgage bonds outstanding, 7,199 shares of 8 per cent preferred stock and 29,981 shares of common stock. Reserve fund is $257,581.

LANDED BANKING SHOWS EARNINGS $7.87 PER SHARE

Mortgages Written Down $59,651; Deposits Are Slightly Lower

Landed Banking & Loan Co., Hamilton, Ont., reports a decrease in net profit during 1932 to $88,831, after all expenses, as against $101,054 in 1931. After reserve of $10,038 for government and busines taxes the company earned $7.87 per share as against $9.22 in 1931 and paid dividends at the rate of 8 per cent for the year.

Liabilities to the public are shown at $2,016,435 of which $1,345,043 is in savings deposits, $632,685 is in Canadian debentures and $22,971 is in sterling debentures. Liabilities to the public in 1931 were $2,189,699. Mortgage investments have been reduced to $3,331,929 from $3,503,771. Of the 1932 total, $136,072 is in interest due and accrued after special reserve of $50,000 has been deducted. Real estate held for sale is down to $139,184 from $146,470 while head office premises which had an appraised value of $286,000 in 1931, are again shown at $84,000.

Reserve is Reduced

Loans on the company's stock and other securities have been reduced to $31,800 from $60,191. Holdings of Dominion of Canada bonds are down to $179,980 from $204,513 while other assets show little change with provincial guaranteed bonds at $48,976; municipal bonds at $95,855; miscellaneous bonds at $63,689 and cash at $40,635.

Capital stock outstanding remains at 1,000,000 but $50,000 has been drawn from the reserve fund and $9,651 from the special contingencies fund to write down mortgage values leaving $950,000 in the reserve fund and $15,884 in contingency reserve. The earnings record of the company since 1928 has been as follows:

Earnings Record

Year	Paid-up Capital	Net Profits*	Div. Rate	Rate earned per sh.
	$	$	$	$
1928	1,000,000	120,269	10	12.03
1929	1,000,000	105,811	10	10.58
1930	1,000,000	91,635	10	9.16
1931	1,000,000	92,202	8	9.22
1932	1,000,000	78,792	8	7.87

*After deducting interest, expenses and charges, and making provision for possible losses and contingencies and reserve for taxes.

PREMIER TRUST EARNINGS GAIN

Capital Increased During 1932; Cash Position is Improved

Showing an increase in both subscribed and paid-up capital, Premier Trust Co. earned 6.3 per cent on paid up capital of $300,063 outstanding at December 31, 1932, as compared with 5.7 per cent on paid up capital outstanding the year previous. Net revenue from operations is up to $15,038 from $11,074 and premium on sale of stock is up to $2,679 from $1,800. Control of the company, formerly held by Peoples' Loan & Savings Corp., has been held by a Toronto group for the past two years. Capital has been increased, business expanded and assets strengthened.

Assets increased to $2,472,772 from $2,401,736 during 1932. Guaranteed trust account is sshown at $226,100 and estates, trusts and agency funds at $1,906,149. Capital assets total $340,524. Among assets in guaranteed trust account are mortgages up to $193,836 from $178,459; debentures and guaranteed investment receipts of Ontario trust and loan companies of $22,329 and cash of $9,935.

In capital assets mortgages and interest have been reduced to $138,547 from $156,969 while investment in debentures and investment receipts of trust and loan companies have been increased to $58,990 from $18,030. Dominion of Canada bonds have been increased to $7,549 from $3,028. Office premises account shows little change at $53,891. Loans on stocks and bonds amount to $7,453; corporation bonds total $9,072 and common stocks, $4,036 while estates and agency fees accrued total $8,500. Cash has been increased to $43,574 from $8,667.

Subscribed stock has been increased to $418,300 of which $198,400 is fully paid and $101,663 is partly paid. In 1931 there was $350,800 of stock subscribed of which $131,200 was fully paid and $98,855 was partly paid. Reserve fund has been reduced by $5,000 to $15,000 to make an investment reserve of $5,000 while a special investment reserve of $2,027 is shown. Balance due on purchase agreement and interest is slightly lower at $15,541.

Earnings Record

Year	Paid-up Capital	Net Profits*	Div. Rate	Rate earned per sh.
	$	$	$	$
1928	180,000	10,937	5.50	6.4
1929	190,000	13,128	6	7.2
1930	190,000	12,407	6	6.5
1931	230,055	11,319	5	5.7
1932	300,063	16,586	5+1	6.3

*After deducting provision for taxes and sundry adjustments.

Installment Sales Arouse Discussion

Quebec Bill Proposes to Regulate Cash Deposit—Merchants Watch Developments With Mixed Sentiments

From Our Own Correspondent

MONTREAL.—The old phrase "a dollar down and a dollar when you catch me" may become extinct in Quebec if a bill to control installment selling, sponsored by Lucien Dugas, is approved by the provincial legislature. Preliminary details of the bill have been made public. Considerable discussion has been aroused regarding its merits; some observers feel that various amendments will be made and others are of the opinion that its passage may not be pressed.

Primarily the Dugas bill, as originally drafted, seeks to effect a compromise between the vexed question of landlords' demands and merchants' rights. Property owners are largely in favor of the proposal; certain classes of merchants are definitely opposed to it.

Increase Cash Payment

The most interesting phase of the bill, as it affects merchandising in Quebec, is a stipulation that merchants shall demand a certain percentage of the sale price for an initial cash payment when goods are sold on the installment plan. This would apply to what are termed luxury goods, such as automobiles, radios, pianos and phonographs and merchants would be compelled to exact a cash payment of 20 per cent if the sale price were under $100. If the price were over $100 but under $1,000 the cash deposit would be 10 per cent and 5 per cent if the price were over $1,000.

The 20 per cent clause would hit numerous merchants. Installment sales in recent years have tended toward lower cash payments; competition and reduced purchasing power have led merchants to offer easy credit terms to customers in efforts to move stock off their shelves. Radios are often sold on the dollar down basis with lengthy credit terms for the balance. Pianos can be bought for a small cash payment and the balance spread over periods as long as three years. In some cases advertisements have been featured by the statement "no down payment." It is installment selling of this type that would be primarily affected by the Dugas bill.

Credit Period Restricted

Another vital point, from the merchant's point of view, touches on the length of the credit period. One clause stipulates that vendor's privileges (for repossession) cannot be opposed to the rights of third parties after two years and one day have elapsed from the time of the sale. In other words sales made in installments extending over a period longer than two years could not be protected from seizure by landlords when the two years had elapsed. Merchants, in short, would have to demand a higher cash payment and restrict their credit terms to two years.

Some Opposition Seen

All this is somewhat disconcerting to those concerned and opposition is sensed from certain types of dealers. They claim that the credit risk involved is their own affair. People, they say, have little money today and they are glad to take advantage of low cash payments and extended credit terms. They resent interference in their credit policies and feel that their sales might be affected. Another merchant pointed out that there might be difficulty in enforcing a 20 per cent cash payment on sales of under $100. A vendor might avoid the regulation by writing up the value of the article, obtaining a 10 per cent deposit, and then make some form of rebate to the customer during the course of his installment payments.

Another claimed that the bills would benefit landlords unduly since there is a clause which would permit a landlord, in the event of rental arrears, to pay off the defaulted balance due on goods in his property, and keep the merchandise. The landlord could then add the cost involved on to his arrears of rent.

Others Stress Advantages

Others claim the bill would place installment selling on a sounder basis. Larger firms which already exact a substantial initial deposit on installment sales see virtue in regulation of the initial cash payment. They claim that the so called "dollar down" sale is a disrupting influence in merchandising on the installment plan, and exaction of a higher deposit would work to the advantage of business in this field. It is claimed that unscrupulous individuals take advantage of the low cash payment; they buy goods, keep them for a few months without making further payments, allow them to be repossessed and then make a purchase in another store. This phase of the bill, it is stated, would be beneficial and would eliminate a lot of needless grief in the installment selling field.

Protection is Sought

Other clauses of the bill seek to protect both merchants and landlords in the event of defaulting payments, on goods sold on the one hand and rent on the other. At the present time a vendor of goods on the installment plan can only protect his lien on the merchandise by notifying the landlord in whose property the goods are being placed of the nature and value of the goods. If this is done, the seller can repossess if installments are defaulted, otherwise the landlord has the right to seize the goods for arrears of rent. It is said that some landlords have gone so far as to try and avoid notice being served on them so that they can seize the goods as soon as they are placed in their property.

The Dugas bill would regulate this situation. It stipulates that vendors must deposit a copy of the sale contract in court. If this is done the vendor is fully protected for two years and one day and remains the owner of the goods until full payment is made. If payments lapse he may resell and use the balance to fulfill the contract. Landlords, however, could not seize the goods for rent, if the regulation is adhered to.

This clause would do away with the present need of notifying the landlord and would settle a procedure which at present is the cause of some worry. As mentioned before, landlords would have the right to pay up installment arrears and take possession of the goods in his property.

The bill is being widely followed in Montreal where millions of dollars worth of merchandise are sold on the installment plan each year. In 1930, 58 retail stores sold $4,166,800 of musical instruments and radios alone, much of it on an installment payment basis. Large departmental stores all have their deferred payment plans, some would be affected by the deposit clause in the bill, others would not since they exact an initial cash payment higher than that demanded under the new plan.

Chiefly, however, the dealer who seeks a small cash deposit on goods sold by installment is the one to be most affected by the bill. A canvass of interested parties reveals the opinion that certain amendments will likely be made while there are those who feel that the proposal may be dropped altogether for the present at least.

Newfoundland Bank Fishery Spring Outlook Hopeful

Optimism prevails among the owners of the fishing fleet which will operate from Newfoundland on the Grand Banks this spring, according to a report from St. John's, Newfoundland.

Thirty-five vessels, with a total crew of about 700 men will operate this spring out of the three centres of Grand Bank, Fortune and Burin. They will sail about March 1.

Few Emigrants to U. S. A. During December, 1932

Only 394 persons left Canada to reside permanently in the United States during December, the lowest total for this month in many years and compared with 498 in December, 1931, and the same figure in November, 1932, according to statistics of the United States Department of Labor.

During 1932, a total of 6,539 Canadians entered the United States to take up permanent residence compared with 9,801 in 1931 and with nearly 100,000 in the peak years of 1926 and 1927.

VANCOUVER MUST PRUNE EXPENSES TO BREAK EVEN

Bank Demands Balanced Budget; School Costs Will Be Cut

From Our Own Correspondent

VANCOUVER, B.C.—In its effort to hold down expenditures so as to meet the request of the Bank of Montreal for a balanced budget, the Vancouver city council is assailing the rising cost of education and it is probable that school expenditures, despite opposition from teachers and school board, will be drastically reduced this year.

Schools comprise by far the largest single item of expenditure in Vancouver. Last year the school budget called for expenditure of $2,987,000. A reduction of $242,891 was proposed, but this was not sufficient and the council is now trying to get the school board to cut another $700,000 from the estimates, to make the net budget $2,045,000. This move is being strenuously resisted, and school authorities declare that if the proposed cut is carried out the schools will have to be closed before the end of the year.

A general shake-down of school costs appears to be inevitable.

The city as a whole will have to wield the economy axe unsparingly if it is to meet the demands of its bankers. Anticipated current deficit must be cut from $4,500,000 to $1,000,000 if possible. This will entail reductions in estimates amounting to $2,000,000 beyond the $1,500,000 cuts already ordered.

B. C. Lumber Shipments Large

Lumber mills in the Province of British Columbia shipped a total of 446,889,543 feet board measure by water to all destinations in 1932, out of which 251,302,835 board feet were bought by countries in the British Empire. During the year Australia purchased 125,551,388 feet from British Columbia, or nearly three times as much as in 1931 and 91.25 per cent of her total imports from the Pacific Coast.

Insurance for Buyer and Seller

GAINS IN 1932 SHOWN IN REPORT OF METROPOLITAN

World's Largest Financial Corp. Has Big Canadian Stake

INVESTMENTS GAIN

Total Business in Force in Canada Again Tops Billion Dollar Mark in 1932

Maintenance of new business issued and business in force within a few million dollars of 1931 figures is an outstanding feature of the annual report of the operations of Metropolitan Life Insurance Co. in Canada for the past year.

New business issued in Canada in the industrial field showed an actual gain of nearly $10,000,000 while total business issued in this country was within $2,000,000 of the 1931 figure at $222,873,000.

Over Billion in Force

Total Canadian business in force declined but $5,000,000 to $1,030,990,000 the company having maintained its record achieved last year for the first time, of having over a billion dollars of business in force in Canada. Ordinary business in force in Canada showed an actual gain of nearly $8,000,000 for the year. The company now has 2,761,136 policies in force in Canada of which 2,332,781 are industrial contracts; 390,246 are ordinary policies and 38,109 are group contracts. At the end of 1931, total policies in force numbered 2,824,061.

As the largest life insurance company and the largest financial institution in the world, Metropolitan Life is used to talking in billions. For instance according to its 1932 report covering its total operations, the company's total assets now amount to $3,769 millions while new business issued also topped the $3 billion mark. Total business in force on the company's books at the end of 1932 was $18,980 millions, as compared with $19,447 million at the end of 1931.

$241,000,000 Invested Here

As to Canadian operations, Harry D. Wright, manager of the company for Canada reports that investments in Canada now total over $241,000,000 having increased during the year by more than $10,000,000. In addition to its Canadian head office at Ottawa the company has 104 branch offices and 3,200 employees throughout the Dominion.

During the year the company made over 400,000 free bedside nursing visits to industrial and group policyholders. Total payments to policyholders in Canada in 1932 exceeded $28,000,000, an increase of over $5,000,000 from the 1931 figure.

Comparative figures for the past two years follow:

	1932	1931
New Business in Canada		
New Ins. Issued:*	$	$
Ordinary	120,577,748	128,227,494
Industrial	99,587,248	89,853,099
Group	2,708,459	6,663,196
Total	222,873,450	224,743,789
Business in Force in Canada		
Bus. in Force:		
Ordinary	577,634,174	569,724,057
Industrial	385,943,647	393,989,651
Group	67,412,964	72,422,220
Total	1,030,990,785	1,036,135,928
No. of Policies in Force in Canada		
No. of Policies in Force:		
Ordinary	390,246	....
Industrial	2,332,781	....
Group	38,109	42,628
Total	2,761,136	2,824,061
Payments to policyh'd'rs (in Canada)	28,127,863	22,632,607
Total assets	3,769,372,425	3,590,115,654
Total new bus., 1932†	3,273,178,268	3,430,199,380
Total bus. in force	18,980,743,208	19,447,343,949

*Including revived and increased except in case of group insurance where increased business is excluded in 1932.

†Paid for insurance issued, revived and increased.

BRITISH PRUDENTIAL ANNOUNCES BONUS

Used as Addition to Sum Assured or Reduction of Premium

Prudential Assurance Co., of London, Eng., has announced its 1932-33 bonus distributions for holders of ordinary policies in Canada.

The distribution calls for paid up additions on participating policies in force on Dec. 31, 1932, as follows:

(1) Whole life policies issued during 1932, $23 per $1,000; issued before 1932, $31 per $1,000.

(2) Endowment policies issued during 1932, $20 per $1,000 issued before 1932, $28 per $1,000.

These amounts per $1,000 represent additions to sum assured but they may be used as premium reduction under a sliding scale on an age basis. For example, at age 30, a "reversionary" bonus of $26 on whole life policies can be used to reduce the current annual premium by $6.40, while on endowment policies, a bonus of the same amount would reduce one annual premium by $11.90.

It is also announced that the ordinary branch contingency fund is no longer required and that the bonus reduction of $8 per $1,000 sum assured suffered by the participating policyholders in 1931 is now being distributed.

Ordinary Life Insurance*

	1928	1929	1930	1931	1932	1933
January	$47,569,000	$49,739,000	$45,074,000	$41,188,000	$37,331,000	$29,367,000
February	39,962,000	47,140,000	43,925,000	40,180,000	38,145,000	....
March	44,823,000	48,066,000	49,047,000	46,945,000	37,467,000	....
April	46,718,000	51,842,000	51,649,000	45,648,000	33,629,000	....
May	49,581,000	50,547,000	48,871,000	41,314,000	30,998,000	....
June	51,884,000	53,402,000	54,168,000	46,227,000	40,963,000	....
July	49,492,000	54,809,000	46,505,000	39,977,000	34,469,000	....
August	43,503,000	41,329,000	36,249,000	35,738,000	28,370,000	....
Sept.	38,872,000	43,013,000	38,994,000	30,066,000	25,207,000	....
October	55,743,000	50,894,000	44,527,000	36,006,000	29,858,000	....
Nov.	54,865,000	55,624,000	46,186,000	38,860,000	34,003,000	....
Dec.	56,647,000	54,180,000	49,026,000	41,163,000	33,483,000	....

Total, January, 1933 .... $29,367,000
Total, January, 1932 .... $37,331,000

Decrease, January, 1933, from January, 1932, 21.3% .... $ 7,964,000

*Companies having in force 84 per cent of total outstanding business in Canada as at Jan. 1, 1932. New paid for, ordinary business only. Figures include both Canada and Newfoundland and are prepared by Life Insurance Sales Research Bureau, Hartford, Connecticut.

Insurance Sales Better in Canada than U. S. A.

January sales of ordinary life insurance in Canada and Newfoundland in 1933 showed a decline of 21.3 per cent from the corresponding figure of a year ago, according to figures prepared by the Life Insurance Sales Research Bureau of Hartford. Sales for the month totalled $29,367,000 against $37,331,000 in the same month a year ago. The figures cover business of 15 companies which have in force approximately 84 per cent of total insurance in force in Canada and Newfoundland.

Comparatively the Canadian picture is considerably more favorable than that of the United States for figures prepared by the Life Insurance Presidents of the United States reveal that ordinary sales of paid for business in January were 31.2 per cent below the same figure of the previous year. In that country group sales slumped almost 80 per cent in January and industrial business 22.6 per cent. Total sales for all three classes were lower by 35 per cent.

British Columbia showed a slight increase over January of last year, while Manitoba and Nova Scotia practically held their own. Sales by provinces in 1933 and 1932, were:

January Sales of Ordinary Life Insurance

	1933	1932
	$	$
Alberta	1,192,000	1,737,000
Br. Columbia	1,988,000	1,968,000
Manitoba	1,980,000	2,006,000
New Brunswick	701,000	925,000
Nova Scotia	1,104,000	1,150,000
Ontario	12,013,000	16,537,000
P. E. Island	109,000	132,000
Quebec	8,879,000	11,167,000
Saskatchewan	1,205,000	1,460,000
Newfoundland	196,000	249,000

DOMINION FIRE PREMIUMS DOWN, EARNINGS GAIN

Surplus Increased to 100 Per Cent of Issued Capital Stock

Lower gross and net premiums, a higher loss ratio but an improvement in underwriting results for the year are reported in the 1932 statement of Dominion Fire Insurance Co.

After meeting all expenses the company showed net earnings of $46,281 as compared to $32,070 the previous year and after payment of a 6 per cent dividend on capital stock a sum of $19,388 was transferred to surplus account. The latter account now stands at $300,000 or exactly 100 per cent of the issued capital stock of the company. A further special reserve of $11,000 has been set up against possible loss on mortgages. Contingency reserve has been raised $1,000 to $17,353.

Total assets are shown at $930,744 a gain over the previous year. All security values have been taken in at valuations authorized by the federal government but if market values had been used the company reports the total would be but $52,800 less which leaves a very substantial margin of surplus over capital. The company reports none of its bonds or stocks as in default and no interest overdue on mortgages.

Underwriting results which are summarized on a premiums written basis in the following table show a slight higher loss ratio in fire business but a substantially lower ratio of losses in automobile lines. Loss ratio for all lines was 48.4 per cent as against 46.4 per cent the previous year.

Comparative figures follow:

	1932	1931
Fire:	$	$
Gross prems.	445,293	493,390
Net prems. wr.	270,007	308,340
Net losses pd.	133,616	139,071
Ratio*	49.4%	45.1%
Auto:		
Gross prems.	146,737	164,611
Net prems. wr.	24,423	31,811
Net losses pd.	8,682	18,766
Ratio*	35.5%	59%
Plate Glass:		
Gross prems.	4,302	4,590
Net prems. wr.	3,372	3,505
Net losses pd.	1,962	1,802
Ratio*	58.2%	51%
Total:		
Gross prems.	596,332	662,591
Net prems. wr.	297,802	343,656
Net losses pd.	144,260	159,639
Gross und. profit	106,881	......
Net und. profit	6,531	†6,277
Ratio*	48.4%	46.4%

*Ratio of net losses paid to net premiums written. †Loss.

HARDWARE HEAD WARNS MERCHANTS ON RATE CUTTING

F. B. Dalgleish Takes Rap at Cut-rate Fire Insurance

Strong criticism of present-day cut-rate competition in fire insurance underwriting in Ontario, was voiced last week at Hamilton by F. B. Dalgleish, general manager of the Canadian Hardware & Implement Underwriters of Winnipeg at the annual meeting of the Ontario Retail Hardware Association.

Mr. Dalgleish warned merchants to look carefully behind the cut-rate policies they were being offered to make sure there was adequate protection. "Keep in mind," he said, "the fact that the financial strength of such companies will not permit of them quoting such rates generally." He stressed the fact that his companies invariably wrote business at tariff rates and would join the tariff association if they could.

"Some companies are now going out in the rush of competition and are offering cut-rates in individual cases. We maintain that they cannot do that for everyone. Their system of not writing preferred risks only, will not permit them to give much of a cut from the present tariff rates.

"These companies are coming here and are offering very large cuts in the rates. In some cases the rate they offer is lower than our net cost. You get just what you pay for. It is just in a few isolated cases that people are getting the benefit of the low cut-rates offered by certain of these competitors, but nevertheless it is costing us money because it is more expensive to get such business in view of this competition.

"Had it not been for our organization and other good mutual companies it is unlikely that these cut-rates would be offered. They would still be maintaining the high rates of a few years ago.

In spite of lower premium income and somewhat increased loss ratio, Mr. Dalgleish told the hardware body that his company's surplus increased during 1932 by $24,000 and now stands at $4,424,000. Dividends paid to Canadian policyholders in the 12 years the company had been in business in the Dominion, were $3,339,000, he stated.

Insurance Inklings

F. R. CLARK, branch secretary of the Sun Life Assurance Co. at St. John's, Newfoundland, has been appointed manager of that branch to succeed DAVID JOHNSTON who is retiring after sixteen years in that position.

J. R. McKENZIE MAROIS has been appointed district manager at Sherbrooke, P.Q., of the Great-West Life Assurance Co. branch at Sherbrooke, P.Q., to succeed J. A. Lemay who resigned to return to field work.

J. D. BUCHANAN and E. M. BLACKIE, actuary and assistant superintendent of ordinary agencies respectively of the London Life Insurance Co. are at present making a trip around the company's agencies in Western Canada.

Mutual Relief Life Seeks Reserve Change

A bill is presently before the Ontario legislature which seeks to amend the reserve valuation basis of the Mutual Relief Life Insurance Co. Purpose of the petition is to change the basis on which policy reserves prior to 1929 are valued and to release thereby a sum estimated at between $300,000 and $400,000 which is now tied up in excess reserves against policy contracts.

This is a form of procedure which has been followed by several fraternal organizations in recent years which have found current operations hampered by the fact that a portion of their funds are tied up in policy reserves substantially in excess of any sums which on the basis of present mortality tables, could possibly be needed to meet these obligations.

Mutual Relief Life is now operating as a regular line company but was formerly the Oddfellows Relief Association of Canada. The petition seeks to change the basis of valuation of contracts issued prior to June 10, 1929.

Good Fire Loss Record for Peterborough in 1932

Peterborough's fire loss in 1932 amounted to $22,189 compared with $44,034 in the previous year. In all there were 38 outbreaks of fire in the city during the year.

While the above figures for 1932 do not constitute a record, they bear very favorable comparison with the fire losses during the past twenty-four years. For the whole of that period the lowest losses were recorded in 1914 when they were $13,378. They reached the peak in 1916 with a loss of $2,262,956 mainly accounted for by the memorable blaze at the Quaker Oats Limited.

Among the recommendations made by Fire Chief George Gimblett in his report to the City Council containing the above figures, is the appointment of a permanent inspector for the Fire Prevention Bureau, for the reason that inspections have to be curtailed when men are on sick leave or vacation.

Established 1869
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Assurances in Force (Dec. 31, 1932)..$517,967,974.00
Assets ....:$132,198,392.72
Surplus Funds and Contingency Reserves, $11,853,105.72
A Purely Mutual Company
Every dollar of surplus earnings belongs to policy-holders and is either actually paid or allotted as cash dividends or held in trust for future distribution.
THE MUTUAL LIFE Assurance Company OF CANADA
HEAD OFFICE — WATERLOO, ONT.

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WRITING FIRE AND AUTOMOBILE INSURANCE AT COST ASSETS $4616449 70
ALL POLICIES NON-ASSESSABLE PAYING DIVIDENDS RANGING FROM 20% TO 30%

1932--A Record of Increased Strength
	1931	1932
Total Income	$ 630,523.00	$ 836,441.00
Policy Reserve	1,592,088.00	1,825,575.00
Surplus for protection of policyholders	251,949.00	488,344.00
Assets	2,013,529.96	2,353,794.25
The record for the year 1932 shows the Company to have shown a very satisfactory increase in its financial strength, thus affording additional protection to its policyholders.
The Empire Life INSURANCE COMPANY
HEAD OFFICE: TORONTO

Your Investments

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Election of Auditors Versus Appointment By Govts. Discussed

Any Move Should be to Make Impartiality More Profitable — Shareholders' Vote Often Mere Formality — Choice Made by Directors

In view of the sheeplike manner in which shareholders often accept financial statements either too abstruse or obscure for them to comprehend fully, and in view of the fact that the auditors they elect at each annual meeting are really selected for them by the directors or management, the question arises as to whether or not an improvement would be effected by a different method of selection of auditors. Most shareholders never attend annual meetings, having entire confidence in directors who are given carte blanche to do what they wish. Even though most directors are honest—just as most citizens do not have to be kept in order by a policeman—it has been made abundantly apparent in the world during the last few years what great damage can be done by swindling directors in a position to falsify books.

Should be Clear

Those who buy common stocks of joint stock companies should have as chief protection a knowledge of how to read balance sheets and revenue accounts understandingly. It is their natural right as owners to insist that these balance sheets and profit and loss statements shall be as clear and trustworthy as possible. In Canada audits of annual statements have been made statutory to meet this demand. Shareholders have it in their power to insist on full disclosures of the affairs of their companies when information is withheld, but they depend on audits, dislike being a nuisance and rarely avail themselves of their privileges, preferring to sell out. Every joint stock company is subject to ups and downs of business in varying degree and there must be a falling away of the interest and confidence of intelligent investors when information is rare, fragmentary or put in a form so that the progress of the company can not be measured adequately.

There are available in Canada, all agree, an adequate number of fully qualified and experienced chartered accountants to ascertain the broad facts of any business for the shareholders. They do good work as things are, but there is room in the case of many companies for considerable improvement. Must reform proceed along the line of educating shareholders to demand full information or by creating machinery under provincial secretaries and the secretary of state at Ottawa so that auditors no longer depend on directors or general managers for their appointments?

Should Be Disinterested

Canadian law and all associations of chartered accountants recognize that an auditor should be impartial, disinterested, honest and competent. The chartered accountant, as auditor, is urged by his association to avoid social, financial or other complicating arrangements with his clients or executives, or employees of the latter, whereby he cannot exercise his duties without fear or favor. The auditor is chosen by shareholders at the annual meeting but, as every one knows, the resolutions appointing auditors are all cut and dried and quite acceptable to directorates and management in readiness for the meeting. Shareholders, knowing comparatively little about affairs of their company, accept these resolutions.

In most cases, everything is aboveboard: the management, directorate and auditors intend to and do do their duties. They would do well even without audits. The standards of chartered accountants are very high as expressed by their associations and the training is long and arduous before aspirants become full-fledged chartered accountants.

Sometimes They Slip

Yet cases in the courts show that auditors sometimes slip, sometimes are negligent, sometimes have relied too much on certificates and information given by manager, accountants or other employees of a company and so sometimes have not discovered errors of wrongdoing when a little more digging would have shown something rotten. In Canada the question has been thought sufficiently important to lead parliament and legislatures to pass considerable legislation endeavoring to set forth requirements of statutory audits and the responsibilities of auditors.

The general companies acts of the Dominion, and of all the provinces except New Brunswick and Prince Edward Island, require both public and private companies to submit their accounts to examination by an independent auditor. The powers and duties of auditors are clearly defined and cannot be restricted by directors or shareholders. In the United States the statutory audit is unknown, and frauds are therefore more common. The question in Canada is whether under circumstances of selection the auditor can really be considered independent.

Make Virtue Worth While

There are good reasons on the other side why shareholders and boards of directors should desire to have the right to indicate what auditors they would like to have. Such audits have a real value in the internal management of companies if conducted by men of great experience and it is a real asset to a company to be able to append the certificate of auditors of high reputation for competence and probity. But on the other hand executives who have something to conceal should not be able to oust auditors for desiring to do their duty in disclosing a weak situation. Yet political chicanery can be successful at an annual meeting and before it as well as in an election.

The law only recognizes one phase of executive dereliction in this respect. By the Ontario law the attorney-general can appoint an auditor if the company fails to do so and the cost would have to be paid by the company. Objections can be seen to the extension of the same principle of action to all companies but obviously an inadequate audit is worse than no audit at all because of the sense of false security it causes. The Canadian judiciary is supposed to be more impartial in its findings than United States judges because the principle of election is not followed in their selection. Judges have security of tenure and sufficient remuneration. Auditors should at least feel that doing their duty will advance their interests more than turning the blind eye to some weak situations at times.

Exchanges Set Example

The advantage there may be in having a general auditing system with auditors appointed by an outside body has been shown on a limited scale in Toronto. The Toronto Stock Exchange established such a system with the co-operation of the Ontario government. One auditor of high reputation was placed in charge and audits were then made of books of members of the Toronto Stock Exchange whenever it was felt needful. Weak situations were discovered and corrected before the stock market collapse in October and November, 1929, and no member of the exchange has assigned in the years that followed. The findings of these auditors have been reported to the chief auditor and in unison with a small group of the Exchange which keeps the information absolutely secret, policy has been set. The Standard Stock & Mining Exchange is working under a similar system.

It is even more important that the financial statements of companies whose stocks are listed on the stock exchanges should be clear, informative and honest if the confidence of the general public in the limited liability company is to recover again. Officers of stock exchanges have used all the influence they can exert to get these statements as informative as possible. The Exchange itself could organize an auditing service which would be extended to companies that request it and which desire independent audits that carry conviction.

No suggestion is made here as to the type of organization that should select and allocate auditors to various companies, or even that it should be done but only that it should be studied. That could best be accomplished by legal, chartered accountant, stock exchange and government representatives in close touch with the actual needs, the established relationships, the reputations and experience of chartered accountants. It should not aim to take men away from posts where they are already doing good jobs but should rather tend to confirm them in these jobs and place them in a preferred position to do even better work.

Make It Optional

One prominent chartered accountant, who was asked what he thought of the idea of having company auditors appointed by an outside body of sufficient importance to carry weight and of sufficient experience to choose the right men, said:

"There is the germ of an excellent idea there. I see what you are after, and it would be a good thing to get greater independence for auditors. The objection is that it would tend to concentrate the work of auditing into the hands of a selected few, or I am afraid it would at any event. It would cut out the freedom of relations between the company and its auditors. I rather think that the company should have the right to appoint its own auditors but that an independent audit might be obtained from some such over-riding body as you suggest on the application of one or more shareholders. In the case of municipalities, that is done. The council is supposed to appoint its own auditor but on the petition of a number of ratepayers the government will send a man to make a special audit. That provision might be applied to companies. The mere fact that such a special audit was always possible would make the first auditor more careful and make recourse to it often unnecessary.

Audits of Merger Finance

"I think that it is more urgent for a government to exercise more vigorous supervision at the time of formation of a company, or its reorganization or at the time of a merger. There has been too much financial control of companies and too many things done from that angle which do not consider interests of investors. The actual management and technical control have been in many cases quite immaculate while reorganizations have been carried out on the basis of boom-time revenues which leave the public stranded at last. The most complete report possible at the time of every reorganization with a clear statement of what it means to every class of creditor and security holder would be advantageous and should be obligatory. There's where your independent outside report would be invaluable.

"Getting an outside audit for every company would be a big order but as you are limiting your tentative suggestion to those whose securities are listed on the stock exchange it comes into the realm of the feasible. If private companies are excluded I do not suppose there could be much effective objection to audits by a government body or an audit under the direction of the stock exchange. And it would tend to bring the sort of information to which a shareholder is entitled. It is easy for a manager to convince himself that full information would harm the real interests of the company when things are not going right. In the case of a public company he cannot tell the shareholder without the public also learning. As every member of the public is a potential shareholder, the public should know. It would not be necessary to give out trade secrets; in most cases they are not secret anyway to competitors.

"There are many difficulties in the way of such a programme as you suggest for study. Most reforms are of slow growth if they are worth while. If one change after another were effected, as it became feasible, these difficulties might vanish."

Manufacturers' Finance

I hold a guaranteed investment receipt of Manufacturers' Finance Corp. What is the position of this certificate? When I bought it I was assured that principal was guaranteed by three insurance companies.

E. R. C. Clarkson & Son is acting as liquidator for Manufacturers' Finance Corp. The position of this company's securities as outlined by the liquidator, E. R. C. Clarkson & Sons, is as follows:

"Manufacturers' Finance Corp made some four or five separate issues of notes and bonds and each such issue was secured by a deed of trust which provided that the company should deposit with the trust company purchase obligations to the extent of 125 per cent of the notes or bonds issued, the purchase obligations so deposited to be covered by guarantee insurance.

"With failure of the company, it became apparent that a large amount of duplication existed in the purchase obligations deposited as security in the separate trusts; in other words, an original purchase obligation would be deposited with one trust and thereafter (in extreme instances) as many as four or five renewals thereof stood pledged in individual accounts in other trusts or under discount with banks. It was also ascertained that the greater proportion of the original purchase obligations deposited with trusts had been acquired with dealers with little or no financial responsibility, leaving their endorsement upon the notes of no value, while in a large number of cases makers of the note were not bona fide purchasers but had signed paper and/or accepted delivery of instruments as an accommodation to the dealer. All purchase obligations and renewals were insured by Manufacturers' Finance Corp. but the insurance companies interested resisted liability, and judgment was given in their favor in trial court and also upheld in the Court of Appeal. Opinion of counsel was that the trust would not succeed should the cases be carried farther.

"As aforementioned, each separate trust is secured by separate collateral and the quantity of collateral behind each trust varies as does the value of the same. On the whole, the collateral is of extremely poor character and with the conditions prevailing since the date of receivership, it has become increasingly difficult to collect it. My opinion is that the return to noteholders and bondholders will not be substantial."

While specific information is not given as to the current equity of the guaranteed investment receipts it would appear that the equity would be very small but probably at the present time exceedingly difficult to trace.

Canadian Public Debt

I would appreciate it if you would let me have in approximate figures the following: 1, The amount of Canada's federal debt. 2, The amount of Canada's provincial debts. 3, The gross amount of debts of all municipalities.

The gross debenture debt of the Dominion of Canada is $2,597,676,637 of direct obligations and $1,000,285,413 of guaranteed obligations. The provinces of Canada have direct obligations of $1,185,954,130 and guaranteed obligations of $221,845,505, while the debenture debt of Canadian municipalities is estimated at $1,323,094,066.

Banks and Loan Companies

What is the standing of the Canada Permanent Mortgage Corp. as against a chartered bank?

The Canada Permanent Mortgage Corp. has a Dominion charter and as one of the largest loan companies in the Dominion, as well as one of the oldest, has a very high reputation. Under its charter, the company is permitted to invest in first mortgages on property and this the Canadian chartered banks cannot do.

Canadian trust and loan companies on the whole have efficient and conservative management and that of the Canada Permanent Mortgage Corporation is highly regarded in this respect. The Canadian chartered banks are subject to inspection by Ottawa and have an excellent record. During the past two years, faith of the Canadian depositors in their banks has remained unshaken and this can also be said of trust companies and loan companies.

National Grocers

Would you give me your candid opinion on National Grocers' second preferred stock? I have several shares for which I paid 42. Do you think it would be wise to sell same, or would you hold it in hope of it going higher?

National Grocers Co. suffered some reduction in net earnings in the year ended June 30, 1931, but both net earnings and net profit were slightly higher in the year ended June 30, 1932. The company has shown continued ability over the past five fiscal years to earn dividends on the second preference stock with a reasonable margin although these dividends have not always been paid. During 1931 the company redeemed $590,900 of first preference stock which left the $2,953,200 of second preference stock second only to $1,309,500 of 6½ per cent gold notes. This note issue was retired in August, 1932, and it is our understanding that the company intends to issue bonds to refund bank loans made when the note issue was retired. On the basis of 1931 and 1932 earnings the company is well able to meet fixed charges and when business conditions improve preferred dividends may be placed on a regular basis. In the last fiscal year, the company earned $9.08 per share on the 7 per cent second preference stock.

Earnings of food companies such as National Grocers, Loblaw Groceterias, Dominion Stores, etc., have been exceptionally well maintained during the past three years in comparison with earnings of other industries. The food companies are showing some decrease in sales in the current year which will undoubtedly be reflected in lower profits but the reduction in profits does not appear to have been so great that dividends are imperilled. At June 30, 1932, National Grocers showed a good working capital position.

Winnipeg Electric

As a subscriber to The Financial Post I would be obliged if you would tell me something of the position of Winnipeg Electric Co. Is the company making any progress?

Winnipeg Electric Co. has experienced difficulties in the last two years. Revenue from its tramway operations has shown a sharp decline while income from its holdings in Manitoba Power Co., a subsidiary, has ceased with omission of dividends on the latter's capital stock. Further, Winnipeg Electric guarantees both as to principal and interest, the bonds of Northwestern Power Co. which are now in default. The parent company has not been able to live up to its guarantee, and until this situation is clarified, outlook for Winnipeg Electric cannot be considered encouraging. Bondholders of Northwestern Power Co. meet in May to consider a plan of reorganization; as you know, the plant is not operating now.

Consolidated Paper

Can you give me some information on the prospects of Canada Power and Paper Corp. debentures? Is there any hope for these securities?

In the reorganization of Canada Power and Paper Corp., holders of the debentures received $15 of new first mortgage bonds and one and one-half shares of new stock of Consolidated Paper Corp. for each $100 of debentures. The latter company is experiencing difficulties owing to the unsatisfactory position of the newsprint industry and its immediate outlook is not encouraging. Present low prices and restricted demand for newsprint have cut profits to a low level, and unless some improvement in the situation is shown soon, the company may have difficulty in weathering the storm even with its revised capital structure.

Canada Cement

What do you think of Canada Cement Co. common as a buy today? Do you consider the stock has merit?

Earnings of Canada Cement in its last fiscal year dropped sharply as a reflection of the decline in constructional activity. Outlook for an early improvement in building is not impressive and prospects for higher earnings of Canada Cement Company this year cannot be considered encouraging. Senior to the common stock there is outstanding $18,732,500 of first mortgage bonds and $20,086,900 of preferred stock; with these charges ahead of it, the immediate position of the common cannot be considered attractive. Its long term prospects depend upon the company's ability to weather the present storm.

Alexander Bldg.

I hold a bond of Alexander Building Corp. Can you tell me why interest has not been paid on this issue?

Alexander Building has had to undergo a reorganization. Bondholders will receive a new six per cent first mortgage cumulative income bond, principal and interest payable in Canadian funds in exchange for the present six per cent first mortgage bonds payable in the U. S. Bondholders will also be given one share of common stock for each $100 of bonds.

Canada Steamship

Please give me your opinion of the position of Canada Steamship Lines 6 per cent bonds. Do they offer good security?

Our understanding is that sinking fund requirements on the 6 per cent bonds of Canada Steamship Lines were not met in 1932; indications are that interest due April 1 may be deferred and there is a possibility that the company will be reorganized. Earnings last year failed to show an improvement and the company's liquid position is not satisfactory.

C. N. R. Bonds

At the present time most of my savings are invested in Dominion of Canada bonds. It seems to me that an investment in C. N. R. Dominion of Canada guaranteed bonds would probably be a safer and better investment for the following reasons:

Principal and interest are payable in Canada, U. S. A., or London at the holder's option. C. N. R. Dominion guaranteed bonds are selling at a price to give a better yield than Dominion bonds payable in Canada only. At the present time holders of the C. N. R. bonds gain a considerable amount on premiums when interest is payable. Any further depreciation of the Canadian dollar, compared with either U. S. funds or the pound, would apparently add to the attractiveness of the C. N. R. bond with its optional places of payment.

I am unable to understand why, having regard to the apparent advantages of the C. N. R. government guaranteed bond payable in U. S. A., England or Canada, its market value should be less than other Dominion of Canada issues.

Can you tell me the reason? Do you consider the C. N. R. bonds in any way inferior to the Dominion issues? If so, why?

Bonds of the C. N. R. carrying the guarantee of the Dominion of Canada are regarded in Canada as being quite as safe as the direct obligations of the Dominion but this view is not as strongly held in the United States where a considerable proportion of the C. N. R. bonds have been placed. Selling by American investors has a tendency to weaken the C. N. R. issues at times.

Generally speaking investment demand had been for short-term issues and the principal C. N. R. issues have a maturity of 20 years or more. Bonds payable in three markets should be priced higher than a comparable bond payable in only one market and where a discrepancy appears it is usually of a temporary nature.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Noranda Mines

I would appreciate it if you would advise me on the selling of some of my securities and the buying of Noranda Mines. Security is the foremost consideration; ability to sustain dividends with a chance of appreciation when conditions improve.

Noranda Mines at current prices is clearly discounting future earnings of the company. On the basis of present dividends it is giving a yield of approximately six per cent and the showing that the company is able to make in the face of the lowest copper prices in history is an indication of what might be expected if prices improve. The company enjoys excellent management, is well fortified with ore reserves and only recently completed an extension to its plant that should further increase its gold production. From the standpoint of security, and ability to maintain earnings without an increase in copper prices, the company is in an excellent position owing to the high gold content of its ore, being at the present time Canada's third largest producer of gold.

Lake Shore Mines

I am very much interested in Lake Shore Mining, Ltd. I would appreciate very much your sending to me any information which you may have concerning the ore deposits of the company.

The nature of ore occurrence at Lake Shore Mines practically precludes accurate estimation of ore deposits except under complete development. The company's property extends some 2,800 ft. in length along the main break or ore zone at Kirkland Lake, Ont., and ore has been found almost over this entire length on some of the levels. There are two main productive parallel veins known as the No. 1 or south vein and the No. 2 or north vein extending east-west across the property at a distance of approximately 375 ft. apart. The width of these veins ran up as high as 60 ft. The No. 2 vein has proven the higher grade. There has been no stoping below the 3,000 ft. level. Any ore below this point has come from development operations. In fact, the official estimate of broken ore reserves amounting to 258,914 tons valued at $17.35 per ton refers to ore above this level, and this by no means indicates the amount of ore still existing above the 3,000-ft. horizon.

As an indication of the ore possibilities it is interesting to note that the ore mined since commencement of operations in 1918 has amounted to 3,171,005 tons valued at $47,393,667. This has all come from above the 3,000 ft. horizon which, as stated previously, is not nearly exhausted. The company has under way a deep development programme and is currently developing at a depth of close to 4,000 ft. and intends to carry its mining operations to the lowest possible depth to which ore prevails or a possible working depth of 10,000 ft. Having regard for the consistency and the continuity of the ore zone, Lake Shore is regarded as being best fortified with ore of any in the camp, but to arrive at any reliable estimate as to its ore reserves is impossible.

Kirkland Lake Gold Mining Co.

Will you please outline the position of Kirkland Lake Gold Mining Co., indicating its chances of becoming a profitable operation for shareholders who have long waited in the expectation that dividends would be forthcoming?

Kirkland Lake Gold Mining Co. has for 14 years been producing at the westerly extremity of the Kirkland Lake camp currently the largest gold producing camp on the North American continent. While it immediately adjoins the Teck-Hughes Gold Mines, a famous producer and dividend payer, Kirkland Lake Gold Mining has not encountered the same massive ore bodies that have characterized the Teck-Hughes property. The directors and officers of the company are men of the highest integrity, and the president of the company is Dr. J. B. Tyrrell, a well-known geologist who has been carrying on development work at depth to substantiate a theory regarding the western pitch of the ore bodies. To a large extent development work has confirmed this theory, but it has not encountered the massive ore bodies expected. Instead high-grade rich shoots have been found which have enabled the company to carry on its development programme and at the same time a little more than meet expenses. Operations are now the deepest of any mine in Canada. The geology continues favorable and these high-grade ore shoots are leading the company on to further development in the hope that it might encounter a massive ore body that will reward its efforts. In order to protect the vein system, the company acquired, early last year, the adjoining Grozelle property. Summing up, it can be said that the affairs of the company are intelligently directed, but only more work will tell of its profitable mine-making possibilties.

This year through fortunate interlocking of directorships the company acquired an option and controlling stock interest in the Kenty Gold Mining Co., owning one of the most favorable looking gold prospects in Ontario at the present time. The Kenty find was the pioneer discovery in the new Swayze area and is now under intensive development to prove its mine-making possibilities. Thus, Kirkland Lake Gold Mining has two strings to its bow—one an undeveloped prospect—and the other, the deepest mine in Canada, immediately adjoining famous producers in a famed ore zone. The company has sufficient cash to carry on its immediate programme and, as stated previously, it has been a little more than paying its way in past years.

Canadian Securities

Dominion of Canada
Dominion Guaranteed
Provincial Government
and Municipal Bonds

DOMINION SECURITIES
CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

A
LEGAL
DEPOSITORY
for
TRUST FUNDS

CENTRAL
CANADA
LOAN AND SAVINGS
COMPANY
KING AND VICTORIA STS., TORONTO
23 SIMCOE ST. N., OSHAWA
ESTABLISHED 1884

4%
COMPOUNDED HALF-YEARLY

Money grows rapidly at compound interest. Savings deposited with Canada Permanent earn the high rate of 4%, the interest being compounded half yearly.

Founded 1855

CANADA
PERMANENT
Mortgage Corporation
320 Bay St., Toronto
Assets exceed $70,000,000

THE
ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
61 Years in Business
Capital $2,000,000—Reserve Fund $3,200,000.
Make Mortgage Loans on Owners' Homes at reasonable rates of interest.
ARCHIBALD McPHERSON, President. T. H. MAIN, Manager.

Buy NOW!
The GOLD BOOM is HERE

We invite you to participate in the purchase of stock in an Ontario company, that will be particularly benefited by present day market conditions.

This company is operating, and is now milling about 300 tons per day.

It is a new company, and commenced operations at the most opportune time for gold mining for years past.

It is not over-burdened with excessive capital stock.

The total capital is one million shares of $1.00 par, of which 500,000 were issued for property, development, mill and equipment, which originally cost three times this amount.

The company has twenty thousand (20,000) tons of broken ore, and developed ore reserves of approximately 150,000 tons.

The property has only been developed to the 600-foot level.

The company operates at a profit.

Located in Porcupine Camp, near Dome, McIntyre and Hollinger mines.

The property has already yielded $1,110,265.95 in gold.

If you are anticipating investing your money in a gold mine, investigate this proposition from the viewpoint of low invested capital, low stock price, and excellent future possibilities.

This is an unlisted stock, practically unknown to the buying public, and has therefore not been subject as yet to the increased valuations which are now benefiting the well known mining stocks.

We offer for subscription subject to allotment

75,000 Shares
Price 60c. per share

Buffalo Ankerite Gold Mines, Limited
Stock Exchange Building, BUFFALO, N.Y.
Mine Office: SOUTH PORCUPINE, ONTARIO MARTIN KNUTSON, Mine Manager

Bank Chat on Current Topics

Do You Know?

HOW many bankers know the precise date of the institution of the three per cent rate on savings deposits in Canada? Apparently the rate has been in effect so long that even leading bank executives who have been in service for many years, have no definite recollection of its commencement, judging from enquiries made by The Financial Post.

It appears to have come into general effect about 1896 or 1897, and an agreement on the rate was made between the banks in 1903 or 1904, after the formation of the Canadian Bankers' Association.

It is recalled that savings accounts, on the present plan, only became general at the beginning of the century. Prior to that, deposit receipts were issued, and no checking was allowed. But when trust companies in Toronto started the practice of ledger accounts, the banks followed suit and the practice spread from coast to coast.

Before the close co-operation achieved through the C. B. A., there were variations in the deposit rates paid by the different banks, but on the whole these discrepancies do not appear to have been important. As late as 1908 or 1909, at least one bank in Canada was paying 3½ per cent for deposits in country branches. In the opinion of one prominent bank executive of the day, this was considered an outright breach of the agreement reached through the C. B. A. to allow three per cent.

There is ample room for research on the various interest rates on deposits paid by Canadian banks since the practice was initiated about 100 years ago. Little mention of deposit rates in histories of Canadian banking may indicate that there was not marked competition in this respect. Otherwise it would surely have become more prominent in the numerous sketches of Canadian banking.

Poor Stock Broker

A STOCK BROKER, who had kept a fairly substantial personal current account in a city branch, gradually reduced his balance without decreasing the activity of the account. He continued to put all his personal cheques through the bank, and as his expenses were greater than his income, the unhappy state of affairs mentioned above came about.

It was not long before the manager of the branch realized that the account had become a liability instead of an asset. He instructed the accountant to make a service charge of 50 cents a month for handling the account. The stock broker observed the deduction in his statement at the end of the month with chagrin, but did nothing about it.

Like many stock brokers in recent months, this one found a good deal of time on his hands, and engaged himself in reading financial papers, reports, etc. One day, after having read most of the available material in his office, he picked up his copy of the Bank Act, and started to peruse it. In the course of this light reading he came across section 91, subsection 4, which states:

> "No bank shall directly or indirectly charge or receive any sum whatsoever for keeping any account unless such charge is made by express agreement between the bank and the customer."

The broker, highly pleased with himself, wrote to the bank manager, pointing out the violation of the act in charging for service without an agreement. The canny banker countered with a written request for authorization of the charges. The broker gave this permission, and then closed the account. Which was probably what the banker wanted anyway.

Staff Changes

The Canadian Bank of Commerce announces the following changes in staff appointments:

C. THORBURN, formerly manager at Port Dover, Ont., to be manager at Westdale branch, Hamilton, Ont.

A. L. SMITH, of the staff of relieving managers at Hamilton, Ont., to be manager at Markham, Ont.

Banque Nationale Christmas Clubs Amass $980,048

Canada's only bank Christmas club amassed $980,048 in 1932, which money was distributed to members in December for holiday use. The club is operated by Banque Canadienne Nationale, and last year comprised 37,922 accounts.

The bank operates this plan in 91 of its 258 branches, chiefly those in large towns or cities where a numerous working class draws relatively fixed salaries. The club plans call for small weekly deposits, some increasing in size each week. Whether the cost of operation of the plan makes it unprofitable is not known, but the bank has started its club again for 1933.

There are eight different club plans of deposit for 1933. One requires deposits starting at one cent for the first week, and increasing to 50 cents for the last week. Another is on the same plan, but for larger amounts. Most are based on weekly deposits of a set amount. Interest is allowed on the club deposits at the regular three per cent rate.

Obituary

Charles F. Mansell, sales manager of Howard Smith Paper Mills, died at his home in Toronto on February 15. He was 85 years old and had been 65 years in the paper business.

Donald Fraser, former manager of the Merchants Bank at Kingston, Ont., died recently at his home in Victoria, B.C., aged 92. Mr. Fraser entered the service of the Commercial Bank of Canada in 1858, and later was manager at Walkerton. In 1868 he entered the Merchants Bank, and was in its service until 1891. Mr. Fraser was one of Canada's oldest retired bankers, and was a well-known figure at Banff highland gatherings.

Current Events in Banking World

CANADIAN BANKS' SERVICES HELPFUL IN DETROIT CRISIS

May Get New Business — Editors Praise Our Banks

A sudden demand for services was thrown on border branches of Canadian banks when the eight day banking "holiday" was recently instituted in Michigan. Canadian banks handled such work without difficulty. A heavy demand from Detroiters for United States currency cleaned up most of the available supplies in Windsor, but the exchange rate was only slightly affected.

Cheques on Michigan banks, presented to border branches of Canadian banks, were accepted for collection only. This was necessary because it is impossible to foretell the condition of the various Michigan banks. Literally, such cheques were not cashed until it was known what they were worth.

Michigan Depositors

Many Michigan firms have deposits in Canadian banks, and as soon as possible after the Michigan moratorium, they began to use these funds to finance their daily business needs. There was a marked shortage of cash for all purposes in Detroit and other Michigan centres.

There was no immediate large influx of deposits into border branches of Canadian banks because of the Michigan situation. This did not occur because most of the money in the state was tied up in closed banks.

Canadian banks may get some business when Michigan banks are able to release funds to depositors. However, any new accounts opened in Canada for Michigan people will be carried in Canadian funds. If funds are placed on deposit in Canada for convenience and safety, it will be necessary for United States citizens to buy U. S. funds when they wish to make use of such money in their own country. A premium will be given on United States funds deposited and will be charged for purchases of exchange. It is still uncertain what business will be obtained from Americans as a result of the Michigan banking troubles.

Editors Praise Our Banks

Editorial comment in Canada on the Michigan situation stresses the advantages of the banking system in this country, as contrasted to that of the United States. The Border Cities Star states:

"We hope every politician and aspiring politician, who is trying to gain popular favor by attacking the Canadian banks and clamoring to 'reform' them, will remember that through these years of depression the Canadian banks have opened their doors each business day for the regular transactions of banking business."

The Chatham News also praises the Canadian banking system: "There is absolutely no danger of such a 'bank holiday' being declared in this country. Canadian banks are in such fortunate liquid condition that they are able to meet all emergencies."

The Sarnia Observer suggests that the United States needs a system similar to ours: "There has been considerable agitation (in the United States) for a revamping of the banking business to reorganize it along the lines of the Canadian system. That action seems particularly necessary now."

Commerce Bank Reduces Salaries On Graded Scale

A graded reduction in salaries is to be made effective, starting June 1 next, by the Canadian Bank of Commerce. This revision will average about 7½ to 8 per cent over the whole salary list of the bank, and the cuts are to vary from five to 15 per cent, depending on the size of the salary.

These adjustments are being made in accordance with the reduced cost of living, and are in line with the trend in other large institutions.

The heaviest reductions are being made in payments to directors and to officers who are on the board. Employees' salaries in the higher groups are also to have reductions of more than average proportions.

Victoria Clearing House to Hold Election April 11

Present officers of the Victoria, B.C., Clearing House are: C. W. Pangman, The Bank of Toronto, chairman; G. A. Campbell, The Bank of Nova Scotia, vice-chairman; T. H. Laundy, manager and secretary.

Election of officers for 1933 will take place on April 11 next. Since it has been the practice to elect the vice-chairman to the office of chairman for some time, it is considered that Mr. Campbell may be appointed chairman for 1933.

Banks Handle Clearings in Rotation in Sarnia

A modified form of clearing house is in operation between banks in Sarnia. It is operated on a reciprocal basis.

Each of the banks take care of the clearings in rotation for a period of one month. No officers are appointed, and the procedure which has been in force for some time appears to be working satisfactorily.

Weekly Bank Clearings

	Feb. 16 1933 $	Change % year ago	Feb. 9 1933 $
Halifax	1,478,654	—27.7	1,750,703
Saint John	1,337,214	—21.9	1,345,015
Moncton	452,574	—26.9	526,975
Sherbrooke	434,394	—30.0	471,725
Ottawa	3,013,457	—41.6	3,764,644
Montreal	66,528,196	—12.5	81,770,548
Peterborough	414,895	—31.2	449,824
Toronto	81,261,081	+19.7	97,711,691
Hamilton	2,689,807	—21.5	3,031,608
Kitchener	710,624	— 2.9	670,379
Brantford	610,304	— 1.9	679,569
London	2,171,103	— 9.1	2,103,362
Chatham	388,877	— 5.0	356,372
Windsor	1,479,834	—32.9	2,177,750
Sarnia	273,002	—27.2	345,291
Sudbury	437,244	+ 1.5	346,883
Quebec	3,079,459	—19.6	3,144,380
Kingston	402,621	—16.4	480,470
Ft. William	383,528	—22.7	485,046
Winnipeg	22,208,484	—29.0	22,710,490
Brandon	215,118	—24.7	227,721
Moose Jaw	323,030	—40.3	428,161
Regina	1,791,052	—35.3	2,494,380
Prince Albert	142,673	—40.7	199,024
Edmonton	2,188,469	—37.4	2,707,344
Calgary	3,862,317	—24.9	3,949,944
Medicine Hat	115,175	—18.3	151,376
Lethbridge	246,814	—18.1	263,907
N. W'minster	303,500	—33.4	404,914
Vancouver	10,886,919	—31.0	10,998,060
Victoria	1,040,970	—20.5	1,239,417
Saskatoon	......	...	1,957,566

Leacock Would End Crisis Quickly Other Economists Frown on His Plan

McGill's Economist Suggests Cutting Gold Content

SPEED PUBLIC WORKS

By STEPHEN LEACOCK

Professor of Political Economy, McGill University. Extracts from Toronto Empire Club Address

It is no good, to say that things are getting better. They are not. It might be that if we left this depression alone, it would cure itself—with tears, with hunger, with suffering. It might wear itself out as other depressions have done—or it might not. This is a dangerous moment; this is a crisis. The time has come to think. The time has come to act.

No Crisis Like This

What we are seeing around us has never been paralleled in the world before. There is no use of our talking of the depressions of the seventies or the nineties. They were never like this.

There is a peculiar flaw in the mechanism of the life we live; there is a defect in our wonderful apparatus of production; there is a peculiar power to produce goods without a corresponding knowledge of how to organize society to use them.

In the question of the power of humanity to produce and the capacity of humanity to organize consumption lies the fundamental problem of our present organization and along that line will be found the ultimate solution some day.

Immediate Solution

What we have to think about more immediately is the solution for now; how to get things going now; how to beg a reprieve from the sentence of industrial death under which we stand; how to ask for the time, so valuable now, so despised a few years ago, to set our house in order. Look back over a hundred years of our system. They call it now "the profit system." Under it every man works for himself. The economic interests of the individual is the basis of society. You and I work first and foremost for ourselves and those near and dear to us and not for someone else's grandma. That is the system.

Alternatives Impossible

What are the alternatives? Socialism? It is the government of impossible people by impossible leaders. It is an iridescent soap bubble floating in the air.

Nor, do we want what is worse, that hideous—the cup of blood pressed to the lips of the Russian people, that crown of thorns crushed to the heads of a suffering people.

Our social sytem has worked and it is the only one that ever will work. With all its faults, its tyrannies, and its shortcomings, it has works. But in the nineteenth century the age of machinery came and production became wonderfully easy. The system began to develop a strong tendency not only to work but to overwork. Beginning with a hundred years ago we have had an alteration of crises; The wisest people have not read the writing on the wall. The Adam Smiths and the John Stuart Mills and all the rest of them were so engrossed in the total of production being attained and in the possibilities of the power that man wielded, that they never saw that it carried with it the strange dislocation of the machine. That the machine would rush too fast and then break.

Depressions Hit Poor

Every ten years or so the machine did break. There came a time when work stopped; there were too many goods, and the poor suffered. It is a sad and pathetic fact that we paid little attention to those depressions because they hit, mainly, the poor. By the sheer lowering of wages, by forcing people to work longer hours under harder working conditions, we slowly crawled back. Each depression was worse than the last—still, luckily, confined mainly to the working class, and mainly to one or two or three countries and still always relieved automatically by the recurrence of prosperity.

Then, came the circumstance of the War and every precipitating cause was multiplied tenfold.

What we are witnessing now is actually the logical economic outcome of the circumstances of the War which for the moment speeded up production, absorbing everything that could be made. There was a market for everything that could be produced and we were hurled headlong into the abyss of over-plenty.

Notice what happened in all the other crises. There came presently, an accidental rise of prices and that brought an accidental increase of business and each increase stimulated every other, just as, now, every decrease accentuates every other; and just as, now, every man out of work throws out those who have been accustomed to supplying him with goods. So the opposite process could be set up in which, with a rise of prices for the moment, everybody who produces and sells would be a little better off.

Leacock's Cure For Depression

1. Raise price level by reducing gold content of U. S. and Canadian dollars.
2. Carry on programme of "self-liquidating" public works to create employment.
3. Use the respite from depression thus gained to remove fundamental causes of economic crises.

The first temporary remedy is to set up a rise of prices. At once you shudder at the thought of inflation of paper money and you think of the wild and reckless disorder the world has seen through the over issue of paper money.

But can we not operate a rise of prices without inflation—inflation being a dangerous use of paper money, uncheckable and uncontrollable? Can we not operate a rise in prices? I think that we can. The effect would be temporary only. It would not act like the first draught of cordial to a dying person—it would be the beginning of something that would mean health.

I propose that we change our dollar from the 23 grains of gold it has now to 17 grains. That sounds as simple as a druggist's prescription, doesn't it? But a druggist's prescription sometimes means the path that leads from death to life and health.

You will change the American and the Canadian dollar at the same time—luckily for us, the same scheme is recommended there—from 23 grains to 17 grains.

Immediate Effect

The effect would be immediate. I am only afraid that there might be too rapid a rise in prices because the moment you tell anybody who has a stock of anything that the monetary standard is going to shift and the price is going up, he will be keen to buy anything he can. If you change the dollar, therefore, to alter automatically the price scale, there would be a great rush to buy things which would clear off the accumulated stocks.

But notice that this would be temporary, only. If that were all the prices would come back and we would be back where we were. The rise in prices would clear off accumulated stocks in every business.

Our U.S. Payments

You tell me that that change would affect our international relations—that every company that has a contract to pay interest in American dollars would be that much worse off by the shrinkage of the Canadian dollar and the automatic rise of the American premium. That is right. It would be unless the United States does the same thing with us at the same time. If they don't, and the American premium jumps, I tell you here, candidly, we shall have to part company with the payment of our interest in the terms of foreign currency. Our Constitution knows no such legal limitations as might happen the United States. We have the supreme authority. When these contracts were made in terms of American dollars there was the underlying meaning that every Canadian dollar bill was cashable in gold—that every Canadian obligation was cashable in gold. Who would have made the fool contract with New York unless it was understood that the contract was payable in gold in Canada? We have to cut loose from this strangulation string that we alone must pay in the money of another country.

England has already done it. In England a law was passed 115 years ago—it was passed in 1816 and it said that a sovereign is 113 grains of pure gold and the public debt is payable in sovereigns of 113 grains of pure gold. And in October 1931, the English government said, "We can't pay in sovereigns, we will pay in English paper money for what it is worth," and every American holder and every foreign holder of the English debt lost one-quarter of his money. It was not because the English wanted him to lose it but from the extreme necessity of the occasion.

We have got to come to that unless the Americans, as I hope and pray they will, will join us in the 17 grain dollar that will make the rise in prices of which I speak.

But even if you had that quickened prosperity, that would not be enough in itself. You would have to have something that would bring about, not in the course of weeks, but months, a real revival of business. I think that that is possible. We could take advantage of the first stimulus from the cheapened dollar to make a real increase in rural and urban business. Franklin D. Roosevelt has some magnificent schemes for a vast programme of public works in the interests of the working classes of the United States.

When the works are carried out, they will be self-supporting—self-liquidating, as they call it.

We in Canada could adopt a plan for a programme of public works that would pay their way as they go. I will take only one example: Suppose that the government were to take over the rebuilding of the cities not of the beautiful parts, which need no rebuilding, but the slum areas, the forgotten districts, the lost, waste places of the city which should have been the best and now are the worst, that command the lowest value where they should command the highest.

Looking to Future

The question, still remains—"Would the depression come back?" Yes, the threat of depression, would come back. It would haunt civilization still because, fast though we go, it is inevitable that that super-power must break us down some day. But we shall have a respite of eight or ten years, perhaps more, to set our house in order. We must set it in order because there will never be another depression after this one that will pass away of itself. This one, we trust, will go anyway but the next one, no. After this one we are under irrevocable sentence of industrial death. There are forces at work that we cannot control—a mechanism that we can not adjust if we leave things alone. We shall have for that task a respite of perhaps a generation and in that time we shall look forward to finding a means by which the production of goods and their consumption can be harmonized—not by the fool remedies of Socialism or the brute remedy of Communism—but by introducing new rules to the game.

Col. Leonard P. Ayres Thinks Such Schemes Futile

BARUCH OPPOSES

Various proposals to write down the gold content of the U.S. dollar have recently been proposed and one energetic senator (Connaly of Texas) has been urging the plan. Comment of bankers and economists has been unfavorable.

Bernard M. Baruch, New York financier, dismissed the scheme, giving evidence before a Senate Commission. He said the proposal could not be adopted without a long debate during which gold would go into hiding. Predicting a panic that would cause withdrawals of gold, even if such inflation were considered, he said:

"There wouldn't be a nickel of gold left in the treasury."

Co. Ayres Opposed

Col. Leonard P. Ayres of the Cleveland Trust Company, comments on the plan;

"All such projects are probably impossible of realization. There seems to be no method within the realm of political realities by which this country could voluntarily abandon gold for its money, or reduce the gold content of the dollar. The reason for this is that all our federal bonds, most of our state and municipal bonds, and most of our corporate bonds are promises to pay in dollars equal to gold dollars of the present weight and fineness.

"If a bill to reduce the gold in the dollar were seriously considered in Congress it would produce protracted debate, and if enacted into law its constitutionality would be argued before the Supreme Court. While the congressional debate was going on every one having money would attempt to convert it into gold in the expectation that the new law would increase the number of his dollars without any effort or risk on his part. Sufficient gold to meet such demands does not exist, and if the Congress should be so foolish as to enter upon the debate that would initiate a world-wide run upon our vast supplies these would promptly be exhausted and we should be forced off the gold standard.

"If all these difficulties should somehow be surmounted, and we should suddenly learn that the gold content of the dollar had been reduced by one-third, the results would probably prove most disappointing to the proponents of the change. The number of dollars in our bank accounts would not have increased, the goods in the country would be the same in volume, and price advances would probably develop slowly. Foreign goods would cost us more in dollars, so our imports would decline, and our goods would cost foreigners less in gold so our exports would increase. Then foreign nations would act to prevent the dumping of our goods in their markets, and would tighten exchange restrictions to reduce the flow of their gold to these shores.

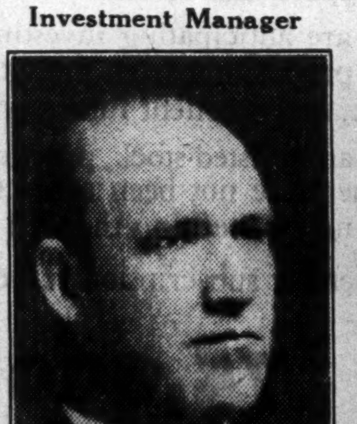
"It is erroneous to suppose that a decrease in the gold content of the dollar would immediately lift general price levels correspondingly. This country did actually decrease the gold content of the dollar by a little over six per cent at the end of June, 1834. The average of all wholesale prices in the six months following the change was about half a per cent lower than in the six months preceding it."

E. W. Kemmerer, research professor in international finance, opposes the plan on the ground that it would rob the conservative bond-holding type of investor to enrich the speculator.

Similar results are forecast by Thomas F. Woodlock, in the Wall Street Journal, who, however, admits the plan of debasing the coinage would raise prices. But he says:

"There is no possibility of devising any scheme of currency expansion which will materially affect commodity prices and at the same time permit maintenance of an effective gold standard. We can have either of these things; we cannot have both."

Investment Manager



FRANK SUTHERLAND

For the last 12 years manager of the bond department of The Dominion Bank at Toronto main branch, who has been appointed manager of the investment department of the bank, attached to head office.

Chief Supervisor

C. S. HOWARD

Foreign superintendent of The Dominion Bank since 1929, who has been appointed chief supervisor of the bank. Mr. Howard entered the service of The Dominion Bank in 1902.

ANNUAL REPORT OF THE DIRECTORS OF

THE GOODYEAR TIRE AND RUBBER COMPANY OF CANADA, LIMITED

New Toronto, February 10th, 1933.

To the Shareholders:—

Your Board of Directors submits a Consolidated Balance Sheet of the GOODYEAR TIRE & RUBBER COMPANY OF CANADA, LIMITED and its subsidiary companies, certified by your Auditors, which sets forth the results of the operations for the year ended December 31st, 1932, and the financial position of the combined companies.

The combined profits from the operations for the year 1932 amount to $1,463,653.10 after deducting provisions for income and all other taxes, but before providing for depreciation. Notwithstanding the reduced volume of production, a reserve has been set aside for the full amount of depreciation at rates equal to those used in previous years, including the peak years of 1927 to 1929; on this basis there has been deducted from the amount of the combined profits as mentioned above, a reserve of $745,900.43 for depreciation on buildings and equipment, leaving a balance of profits of $717,752.67.

The accumulated reserve for depreciation is now $5,982,079.07 and is equivalent to over 50% of the total investment in buildings and plants. The manufacturing equipment of the rubber plants (which constitutes 75% of the total investment in equipment of all companies) stands on your books at a net value of 22% of cost including installation. Insofar as the financial position of your Company is concerned, it was considered immaterial, at this time, whether any excessive provision for depreciation in 1932 were reflected in an increase in the accumulated reserve or in the surplus account.

All bad and doubtful accounts have been written off as usual and a reserve of $80,449.74 is carried forward which is considered adequate. Inventories of finished product, goods in process, raw materials on hand and on commitment have been written down to the basis of cost or market, whichever was the lower as of December 31st, 1932. In addition, pale crepe rubber, in stock and in manufactured products, quoted at 4c per pound, has been written down to 3¼c per pound, the market price on No. 1 smoked sheets.

The decrease in the net profits for the year 1932 as compared with 1931, when they amounted to $1,450,011.52, after providing for depreciation, was caused by several factors:

Severe fluctuation in market prices of crude materials during the fiscal year.

Reduction in export business.

Reduction in domestic business.

Increased unit costs as a result of reduced production.

High premium on United States funds required for purchases.

Increased demand for lower priced tires.

Heavier credit losses.

Increased taxation.

During the fiscal year rubber decreased 42% from the high. Cotton decreased from 9-1/5c per pound to 5c per pound, a decrease of over 45%.

The Canadian Rubber Industry, for the calendar year 1932, showed a reduction of 45% in export business as compared with the sales of the previous year. Your Company being a large exporter of rubber products was adversely affected by these decreases. The causes of the decrease in export business were mainly inadequate exchange facilities, depreciation of currency in foreign countries, high tariffs and boycotts.

If we had dealt with our annual adjustment of inventories in respect of foreign business on the same basis as in the previous years, our total profits before depreciation would have been $1,682,311.09, and our net profits $936,410.66 instead of $717,752.67, as shown on the attached Balance Sheet.

Compared with 1931, the Canadian Rubber Industry showed a decline of 21% in unit sales of tires to the domestic trade, and other lines of rubber products have shown a similar decrease. However, your Company has more than maintained its relative position in the Industry and has, in fact, slightly increased its share of the available domestic business.

Your Company is a large supplier of tires to car manufacturers. The car and truck production in Canada for 1932 as compared with 1931 shows a marked reduction, as indicated by the following figures:—

	1931	1932
Passenger cars	69,826	42,202
Trucks	13,830	7,876

As a result of these factors your production of rubber products in 1932 was considerably decreased. This resulted in a corresponding increase in unit costs.

The discount on the Canadian dollar which for the year 1932 averaged 12% as compared with 4%, the average for 1931, is a direct addition to cost of production and in proportion reduces your net profits for the year.

Owing to the decreased purchasing power of the public, there was an increase in demand for lower priced tires, a larger market for second hand or used tires and more old tires were repaired than there would have been under normal conditions. All of these factors had the effect of reducing both the dollar and unit volume of sales.

As to credit losses, when either individual or collective incomes decrease, so purchasing power declines, payments become slower and insolvency increases. These conditions affected the rubber industry in about the same ratio as they have affected other businesses.

During the past year new taxes have been imposed and other taxes have increased. In April last the rate of sales tax was increased from 4% to 6% and the excise tax on all importations was increased from 1% to 3%. In the Province of Ontario, the Corporations' tax was extended to include a revenue tax in addition to the tax on capital. Municipal taxes have also been increased.

The total amount of taxes paid by your Company for the year 1932, exclusive of Federal Income tax and duties paid on imported materials, has been increased over 35%, notwithstanding that the Rubber Industry shows a decrease in dollar sales of approximately 30% as compared with those of 1931.

By reference to the Balance Sheet it will be seen that the cash on hand amounted to $684,544.08 and that the current assets include $5,873,488.37 in call loans and Government Bonds. These Bonds, which include a large percentage of Canadian Government Bonds, have been written down to markets as of December 31st, in accordance with our usual practice.

The total current assets amount to $10,337,926.62 compared with current liabilities (including ample reserves for income and other taxes) aggregating only $276,073.60 representing accounts not yet due for payment, or a ratio of 37 to 1 as compared with the ratio of 25 to 1 a year ago. Cash on hand alone is approximately two and one half times the total current liabilities, notwithstanding that we have reduced our cash and reserves by a prepayment of Federal Income Taxes to the amount of $44,028.32.

Economies in the cost of distribution and in operations have been made throughout the year. The effect of these economies will be more apparent in your statement for 1933.

The working capital of the Company was increased during the year by $77,006.04 after paying both Preferred and Common dividends aggregating $1,152,893.50, retiring Bonds of Goodyear Cotton Co. of Canada, Limited, in accordance with the sinking fund requirements, redeeming $85,000.00 of Preferred stock of the Rubber Company and providing necessary additions to plant and equipment of $134,785.09.

As above stated, Preferred dividends at the rate of 7% per annum amounting to $509,743.50 were disbursed and in addition dividends at the rate of $5.00 per share per annum, amounting to $643,150.00, were paid to the Common shareholders. In as much as the surplus carried forward this year amounts to $7,230,421.98, it is apparent that the payment of these dividends was fully justified.

The year 1932 has brought to all industries and financial institutions a greater than ordinary burden; falling prices to even lower than cost have lessened income and depleted capital. We may be prone to the idea that the industries in which we personally are engaged have had the greatest burden, but this is not always true. I think it does not apply to the Canadian Rubber Industry.

We commend the Canadian Industry for the just, sane and stabilized basis on which it has operated. This may be better appreciated when you compare the Rubber Industry of Canada with that of most all other countries. It has been our aim over a period of years to deal fairly with the public, our shareholders, the Governments and with those engaged in the industry. It does not take much intelligence to tear down an industry, but it takes careful thought and continuous effort to build an industry.

Established industries are a National asset and, therefore, all peoples and Governments should preserve and foster these assets.

On behalf of the Board,
C. H. CARLISLE,
President and General Manager.

THE GOODYEAR TIRE & RUBBER COMPANY OF CANADA, LIMITED and SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1932

ASSETS

CURRENT AND WORKING ASSETS:		
Cash	$ 684,544.08	
Call loans, and Government bonds at market	5,873,488.37	$ 6,558,032.45
Accounts receivable	$1,460,571.52	
Less — Reserve for bad and doubtful accounts	80,449.74	1,380,121.78
Inventories at cost or market, whichever is lower:		
Finished goods	$1,091,547.20	
Goods in process	145,277.12	
Raw materials and supplies	1,162,948.07	2,399,772.39
		$10,337,926.62
MISCELLANEOUS INVESTMENTS:		
Stocks and bonds		123,586.42
REAL ESTATE, BUILDINGS, PLANT, MACHINERY AND EQUIPMENT:		12,277,358.76
DEFERRED CHARGES TO OPERATIONS:		
Insurance, taxes and rents paid in advance		38,831.74
		$22,777,703.54

LIABILITIES

CURRENT LIABILITIES:			
Current accounts payable		$ 198,731.47	
Reserve for income and other taxes		77,342.13	$ 276,073.60
RESERVES:			
For depreciation of buildings, plant, machinery and equipment		$ 5,982,079.07	
For raw material commitments		85,130.89	6,067,209.96
SIX PER CENT. FIRST MORTGAGE SINKING FUND GOLD BONDS DUE SEPTEMBER 1, 1949, OF THE GOODYEAR COTTON CO. OF CANADA LIMITED:			
Authorized and issued		$ 2,000,000.00	
Less—			
Redeemed	$100,000.00		
In treasury	548,500.00	648,500.00	1,351,500.00
CAPITAL STOCK:			
Seven per cent. Cumulative Preferred Stock:			
Authorized — 195,000 shares of $100.00 each		$19,500,000.00	
Issued and fully paid— 79,498 shares of $100.00 each		$ 7,949,800.00	
Less—Redeemed 6,890 shares		689,000.00	7,260,800.00
Common Stock:			
Authorized — 145,330 shares of no par value of which 128,630 shares have been issued		$ 128,630.00	
Capital Surplus		463,068.00	591,698.00
SURPLUS:			
Balance as of January 1, 1932		$ 7,665,562.81	
Profit for the year ending December 31, 1932, before providing for depreciation, but after deducting income tax	$1,463,653.10		
Less — Reserve for depreciation	745,900.43	717,752.67	
		$ 8,383,315.48	
Deduct—Dividends:			
On seven per cent. Preferred Stock	$ 509,743.50		
On no par value Common Stock	643,150.00	1,152,893.50	7,230,421.98
			$22,777,703.54

February 9, 1933.

To the Shareholders of The Goodyear Tire and Rubber Company of Canada, Limited:

We have examined the books and accounts of The Goodyear Tire and Rubber Company of Canada, Limited and its subsidiary companies for the year ending December 31, 1932.

We have satisfied ourselves that all charges to Property Accounts are in respect of actual additions, and sufficient provision has been made for accruing depreciation. The stocks on hand have been taken and valued by the Companies at cost or market prices, whichever were lower; the bad debt reserve is considered sufficient to provide for all doubtful accounts; the bank balances and call loans were confirmed by certificates, and we have taken all reasonable precautions to satisfy ourselves that all liabilities as at December 31, 1932 are included in the Balance Sheet.

And we report that, in our opinion, the annexed Consolidated Balance Sheet is drawn up so as to show the true financial position of the Company and its subsidiaries as of that date and the results from the operations for the year ending December 31, 1932 according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO., Auditors.

BOARD OF DIRECTORS

P. W. LITCHFIELD
Chairman
Akron

C. H. CARLISLE
Toronto

C. B. McNAUGHT
Toronto

J. E. McALLISTER
Toronto

P. A. THOMSON
Montreal

C. A. STILLMAN
Akron

C. C. SLUSSER
Akron

EXECUTIVE OFFICERS

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President and General Manager

C. B. McNAUGHT
Vice-President

H. A. TIPPLE
Assistant Secretary and Assistant Comptroller

D. J. McCARTHY
General Sales Manager

R. C. BERKINSHAW
Assistant to the President
Treasurer and Secretary

O. H. BARRETT
Assistant Secretary
and General Counsel

E. H. KOKEN
General Superintendent

W. H. JEEVES
Assistant Treasurer

B. W. LANG
Assistant Comptroller

R. P. D. GRAHAM
Manager, Export Department

Cotton Imports from U. S. Drop Sharply in 1932, U. K. Shipments Higher

Britain Assumes Lead in Supplying Goods for Domestic Mart

CHANGE IS MARKED

Competition is Unabated — Large Lancashire Corporation Had Heavy Loss in Past Year

From Our Own Correspondent

MONTREAL, QUE.—Increased imports of manufactured cotton goods from the United Kingdom and a sharp decrease in shipments from the United States feature government figures on trade during 1932. Not only did imports of cotton goods from the United Kingdom show an increase over 1931, despite a decline in total imports, but they also exceeded importations from the United States by a wide margin, for the first time in years. The situation is a reflection of agreements reached at Ottawa last year and also is due to the depreciated £ sterling.

The trend of imports away from the United States is interesting. In 1931 manufactured cotton goods shipped from the United States were valued at $8,039,966 compared with $6,268,967 from the United Kingdom. In 1932 U.S. imports were down to $4,904,396 while U. K. figures rose to $6,271,882.

Comparison Reveals Trend

The picture is clearly seen in the following table of imports of manufactured cotton goods during the past two years:

	1932 $	1931 $
Total imports	13,398,292	16,878,672
From U. K.	6,271,882	6,268,967
From U. S.	4,904,396	8,039,966

In considering these figures prices of raw cotton should be taken into consideration. The slight increase in U.K. imports is more significant in view of the fact that raw cotton prices averaged 7.84 cents in Canadian funds last year against 9.1 cents in 1931, while the decline in total Canadian market purchases of manufactured cotton goods throws further emphasis on the upward swing in U.K. imports.

During the past year manufacturers in Canada made larger commitments in raw cotton. Imports were 95,754,897 pounds contrasted with 93,069,859 pounds in the previous year; values, however were down nearly $1,000,000 at $7,448,986.

Discount Makes Problem

While raw cotton prices are continuing steady around the 6 cent level in New York with a slightly downward tendency, the higher discount of Canadian currency provides a further unfavorable factor for Canadian mills. Manufacturing margins continue extremely unsatisfactory with increasingly close competition from English spinners and manufacturers. According to an official trade report issued on behalf of the Canadian cotton industry, English cotton companies continue to indicate operations and sales at below cost of production. The latest statement of the large Lancashire Cotton Corp. shows a manufacturing loss for the past year of over £380,000, without depreciation or debenture interest.

The source of this competition is revealed in figures covering imports. Cotton yarns imported from the United Kingdom last year increased by 36 per cent compared with 1931 and total imports of cotton fabrics from the same source amounted to 5,774,197 pounds a decided gain. Imports of cotton fabrics from United States in 1932 were 6,375,050 pounds, of which one half was made up of unbleached fabrics mostly imported by Canadian industrial concerns for re-export on which rebate of duty is obtained.

Mills at Low Rate

Operations of Canadian cotton mills since the beginning of the year have been on a considerably reduced basis. Placings for forward delivery have been greatly curtailed since early in December, although immediate orders on spring fabrics during the past fortnight have shown improvement. Orders on hand at the beginning of February were about 20 per cent below a year ago. Reports from the dress, converting and clothing trades indicate that retail placings are still greatly reduced and on a strictly hand-to-mouth basis. Industrial cottons are at the lowest point in orders on hand for some years reflecting the continued slack conditions in the automobile, tire, bag, floor covering, agricultural implement and other industries.

Companies Cut Dividends

These difficulties have found reflection in dividend disbursements of two leading cotton companies. Dominion Textile Co. has reduced its common payment to an annual basis of $4 a share compared with a previous rate of $5 while Montreal Cottons, closely affiliated with the former organization, has omitted its common dividend. The disbursement had been maintained at a 6 per cent rate since 1920.

Despite these tangible indications of lower earning power, immediate outlook for the domestic cotton industry, considering general trade conditions, is not unfavorable. While manufacturing operations so far this year have been considerably reduced, volume of cotton goods required in this market in 1933 will, it is hoped, be only slightly less than last year. Thus the noticeable pick-up in deliveries and placings during the past two weeks may be expected to continue and increase. Employment in the industry is being staggered so as to give as many persons as possible some weekly employment.

Raw Silk Imports At Record Level

From Our Own Correspondent

MONTREAL. — Importations of raw silk into Canada during 1932 reached a new high level, totalling 2,866,080 pounds, an increase of about 600,000 pounds over 1931. Total imports of manufactured silk goods dropped to $3,640,667 from $8,351,709 in 1931, indicating that the Canadian silk manufacturer continues to gain a wider share of the domestic market, and that manufacturing operations have been maintained at a high level.

Figures show that silk fabrics, n.o.p., imported last year amounted to 1,695,507 pounds. This compared with 6,419,318 pounds in the previous year. Another item which declined comes under the category of other wearing apparel, which fell from $2,153,314 in 1931 to $928,072 last year.

PRUE COTTONS

Manufacturers of
INDUSTRIAL
and
HOUSEHOLD
Cottons
in Canada
for over
TWENTY-FIVE YEARS

DOMINION
TEXTILE
Company Limited

MONTREAL
TORONTO
WINNIPEG
VANCOUVER

NO IMPROVEMENT IN TRADE REPORTS

Wholesalers and Retailers Expect Quiet Period Until Spring

Weekly trade report of Canadian Credit Men's Trust Association, for the week ending February 18, is as follows:

Halifax—Wholesalers report that the volume of sales compares favorably with last year but question of credit requires greater consideration. Wholesale groceries volume remains practically normal but the return is considerably reduced. Retail business generally only fair. Collections poor.

Saint John—Wholesale and retail trade below normal, and business continues quiet. Winter-port activity fairly good. Collections fair to slow.

Montreal—Very little change in conditions since last week. Wholesale groceries continue in fair demand; clothing, dry goods and boots and shoes fair; hardware quiet. Retail trade shows very little improvement. Collections, both wholesale and retail, slow.

Toronto — Travellers report orders very hard to get. Local situation very quiet, especially as the large stores have been running sales at such prices as to prohibit competition. Food and produce moving fairly well, but prices low. Very cold weather helped seasonal merchandise. Collections—slow.

Winnipeg—Wholesalers' volume in groceries keeping up fairly well. Trade in most other lines continues quiet. Retail trade generally dull and larger stores running extensive sales. Collections continue fair to slow.

Regina. — Wholesale groceries report fair volume. Dry goods show falling off compared to last year. Hardware slow. City retail trade very quiet in spite of numerous sales. Country trade quiet. Wholesale collections difficult. Retail city collections—fair to slow. Country—practically nil.

Moose Jaw — Wholesalers report groceries fair; boots and shoes, and hardware—quiet. Retail business generally quiet, except in groceries. Collections slow.

Saskatoon—Wholesalers report very little change in groceries. Trade just fair. Hardware and oils and greases—rather dull. Dry goods and boots and shoes, quiet. Retail city trade quiet. Collections slow.

Calgary — Wholesale and retail grocery sales holding up fairly well. Other lines quiet. Collections difficult.

Edmonton—Wholesale grocery and meat houses report fairly steady volume of business; dry goods; boots and shoes quiet. City retail trade slow. Current collections fair, old outstandings inactive.

Vancouver — Wholesalers and retailers generally report trade rather quiet. Most unfavorable weather conditions have retarded the progress and opening of industries, and until more seasonable weather prevails no great movement can be expected in trade conditions. Collections quiet.

Bradstreet's

Bradstreet's report on other cities as follows:

Ottawa—There has been no great change in business conditions in either wholesale or retail establishments or manufacturing operations.

Hamilton—Little change is shown in either wholesale or retail establishments. The increased activity expected in the automotive trade will have some reflection here in the steel industry. Employment conditions still unsatisfactory and there is little prospect of any improvement of noticeable proportions until spring.

London—Retail sales remain quiet. No great movement of either clothing or furnishings likely until nearer Easter. Collections fair.

Windsor—Sales of goods at both wholesale and retail establishments continue just fair. Groceries and provisions continue fairly active but clothing and furnishings slow.

Saskatchewan Pool Activities

The Saskatchewan Poultry Pool during 1932 handled 2,416,534 dozen eggs, 156,043 pounds of live poultry and 1,231,124 pounds of dressed poultry, according to official advices.

Trade with U. S. Down 1 Billion In Last 4 Years

Canada's total merchandise trade with the United States in 1932 was over a billion dollars lower than in 1929, and more than 900 millions lower than in 1928. These decreases over four and five year periods amounted to more than Canada's total trade with the United States in the 1932 calendar year.

Canada's total trade with the United States in 1932 amounted to 432 million dollars in imports and exports. This compares with 1,339 millions in 1928 and 1,439 millions in 1929. These enormous decreases in trade are the problems facing Rt. Hon. R. B. Bennett in his announced intention of negotiating with the United States on tariff matters.

Merchandise trade between Canada and the United States in the last five years is shown below:

Merchandise Trade of Canada with the United States, 1928-1932
(000's omitted)

Calendar Years:	Imports $	Exports $	Total $
1928	825,652	513,125	1,338,777
1929	893,585	545,330	1,438,915
1930	653,676	412,216	1,065,892
1931	393,775	266,682	660,457
1932	263,549	168,948	432,497

It should be noted that a substantial proportion of these declines in total trade are due to price declines. However, there is a large decline in volume of trade also.

NORTH. TELEPHONE PROFIT INCREASED

Extensions and Acquisitions in 1932 Bring New Customers

Northern Telephone Co., operating in the mining districts of Northern Ontario, increased both gross and net revenues during 1932 and after increased provision for depreciation added $5,569 to surplus. Number of telephones in use increased by 150 to 5,488; mileage of poles increased by 38 miles to 681 miles. Long distance calls decreased in number but the revenue was greater. During the year Abitibi Telephone Co. at Amos, Que., was acquired and a long distance line was built between Noranda and Beattie Gold Mines. Earnings equalled 8 cents per share on the 359,870 shares of $1 par value outstanding as against 6.7 cents per share on 350,000 shares outstanding in 1931.

The income and surplus account of the company for the past two years is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1932 $	1931 $
Gross earnings	201,895	189,872
Less: Oper. & main. exp., taxes, etc.	113,158	111,468
Net earnings	88,737	78,404
Less: Deprec.	41,097	36,187
Bond interest	9,291	9,000
Other interest	3,175	2,069
Bad debts	3,663	3,452
Income tax	2,778	2,170
Net profit	28,738	23,526
Less: Dividends	23,164	22,750
Surplus for year	5,569	776
Add: Prev. surplus	46,877	46,101
Balance forward	52,446	46,877

Deficiency of working capital is still shown but improvement has been made. Increase in current assets is chiefly in accounts receivable which are up to $19,797 from $16,879 while reduction of $4,518 is shown in accounts payable and notes and bills payable are down by $1,000. Working capital position is as follows:

Working Capital

	1932 $	1931 $
Current assets	33,284	31,043
Current liabs.	70,130	75,549
Working capital	*36,846	*44,506
Ratio	0.47—1	0.41—1

*Excess of current liabilities over current assets.

Capital assets are up to $803,908 from $747,527 chiefly due to increase of $34,757 in poles, wire and cable, although other items of equipment all show increases. Depreciation reserve was increased to $174,956 from $133,888. Bonds outstanding were increased by $8,000 to $158,000 and 9,870 additional shares were sold. The majority of bondholders and shareholders reside in the territory served by the company.

Foreign Exchange

CANADIAN dollars were slightly weaker in New York during the week ended Feb. 20. The close at 83 3/16 cents on that date, compared with a close of 83⅜ cents a week previous. The premium on United States funds in Canada fluctuated in the neighborhood of 20 per cent.

Other leading currencies showed stronger tendencies during the week, in terms of Canadian and United States dollars. The strength of German, French, Italian and Belgian currencies in Canada was a reflection of the trend of the New York exchange market. There was some pressure on the United States dollar from these currencies.

* * *

STERLING'S strength in Canada was, however, not entirely due to the same trend as was the strength of other currencies. In Canada, the pound advanced from $4.09½ to $4.14 during the week, whereas in the United States it only moved from $3.43⅞ up to $3.44¼. This is, for the most part, a reflection of the slight weakness of Canadian dollars in New York, combined with the slight advance of sterling in that market during the week.

Daily quotations for leading currencies, for the week ended Feb. 20, are as follows:

FOREIGN EXCHANGE
New York Funds

	High (Premium) %	Low %	Last Year High (Premium) %	Last Year Low %
Feb. 14 .	20 1-4	19	15 1-2	14 3-4
Feb. 15 .	19 5-16	18 1-2	15	14 1-4
Feb. 16 .	20 3-4	19 1-4	14 3-4	14 1-2
Feb. 17 .	20 5-8	19 5-8	14 5-8	14 7-16
Feb. 18 .	20 1-4	19 3-4	14 1-2	14 7-16
Feb. 20 .	20 3-8	20 1-8	14 3-8	14 1-8

STERLING, FRANCS AND LIRE
Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.526
Feb. 14 ..	3.43 7-8	0.390 3-4	0.510 7-8
Feb. 15 ..	3.43 1-4	0.391 7-16	0.511
Feb. 16 ..	3.43 1-2	0.392 3-4	0.511 5-8
Feb. 17 ..	3.44	0.394 1-2	0.511 1-2
Feb. 18 ..	3.44 3-16	0.394 5-8	0.511 1-2
Feb. 20 ..	3.44 1-4	0.394 3-8	0.511 1-2

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Feb. 14 ..	4.09 1-2	0.0465 3-4	0.0609 1-4
Feb. 15 ..	4.09 1-4	0.0466 3-4	0.0609 3-4
Feb. 16 ..	4.12 3-4	0.0471 3-4	0.0614 3-4
Feb. 17 ..	4.12	0.0472 1-4	0.0613
Feb. 18 ..	4.13 3-4	0.0474 3-4	0.0615 3-4
Feb. 20 ..	4.14	0.0474 1-4	0.0615 3-4

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Feb. 14 ..	0.2882	0.1656	0.2532
Feb. 15 ..	0.2834	0.1660	0.2505
Feb. 16 ..	0.2860	0.1681	0.2505
Feb. 17 ..	0.2858	0.1677 1-2	0.2514 1-2
Feb. 18 ..	0.2873 1-2	0.1684	0.2525
Feb. 20 ..	0.2876 1-2	0.1684	0.2526

This Week in Wheat

From Our Own Correspondent

Wheat Afloat Curbs Market Strength

WINNIPEG.—Price fluctuations of the past week in the wheat market have been small, and there have been comparatively few developments of importance in the trade.

World shipments at over 17,000,000 bushels looked large, but this was more than counterbalanced by a large increase in stocks of wheat afloat, now up to 59,000,000 bushels. This is slightly above last year's total at this time but not importantly so, considering that practically all wheat now shipped takes long in transit, from the Argentine, from Australia or from Vancouver. The large quantity afloat appears to produce in Liverpool a resistance to any bullish tendency which might otherwise develop from the stronger sentiment which is beginning to make itself felt in the United States.

Such firmness as is displayed in Australia because of the good Oriental outlet for that country's wheat, tends to be offset by pessimism in the Argentine where prices have had to be cut to allow for the British duty on wheat.

* * *

Montreal Due For Busy Season

EXTREMELY low freight rates are being offered from Montreal for the opening of navigation, equivalent to about four cents a bushel to Liverpool, and 5½ cents to continental ports. There is a feeling that large quantities of wheat are due to move by this route in May and that exporters have protected themselves by the buying of both wheat futures and ocean space, although there is not a great deal of evidence as yet of the accumulation of cash wheat for movement at that time.

Some forward spreading of hedges from May wheat into both July and October options has been taking place by elevator interests, in spite of the very small spread. The difference between May and October has lately been barely over two cents, while the spread between cash wheat and the May has been alternately above and below that figure.

Liverpool quotations for Canadian wheat to be shipped from Atlantic ports during specified months have been increasing their differential over prices for wheat to be shipped from Vancouver during the same months, the margin being sometimes as high as two cents a bushel. This is essentially a case of a remote future being worth less than a near-by one, since under present conditions mills are reluctant to make commitments far ahead.

* * *

U. S. Farm Board Thought Cleaning Up

NO OFFICIAL information is available as to current actions of the United States farm board, but observers in Chicago insist that the board has been disposing of its commitments in the futures market as rapidly as possible, apparently in the hope of being pretty well cleaned up before a new administration becomes responsible on March 4, for its operations. Closing of the Minneapolis office of the board a few days ago was considered to be a further indication of this policy. Some buyers, it is claimed, are waiting for the conclusion of the process before undertaking commitments, believing that the market will respond much more readily to bullish influences, when the Farm Board is no longer in a position to unload wheat.

* * *

Screenings Used as Round-House Fuel

THE terminal elevators at Port Arthur and Fort William have been getting rid of large quantities of screenings by giving them away to the railroads. While hardly suitable for locomotive use these screenings have been found to provide a useful fuel in round houses. Formerly screenings had a commercial value and grain tariffs assume they have some at the present time, for the right to retain the dockage is all that an elevator receives for extracting screenings up to 3 per cent from grain. Now the elevator companies are glad to give them away, avoiding what would otherwise be a source of considerable expense in getting them removed or destroyed.

COLONIZATION CO. RUNS 1,320 FARMS

L. L. Lang is New President —Is Operated by Nine Loaning Companies

Organized in 1928 by nine leading loaning institutions, to finance colonization in western Canada, Colonization Finance Corp. now has 1,320 farms with a total of 455,255 under farm management with about 80 per cent of the farms occupied by owners. Costs of the company have been reduced by 50 per cent in the past two years. At the annual meeting, held recently, it was decided to continue the working arrangement with the Dominion Agricultural Credit Co. organized in 1931 by E. W. Beatty of the C. P. R. An additional farm manager will be appointed in Manitoba.

The corporation has nine member companies including leading life insurance trust and loan companies. At the annual meeting the following officers and directors were elected:

Louis LaCourse Lang, Galt, first vice-pres. Mutual Life Assurance Co., was appointed president to succeed the late C. M. Bowman. J. F. Weston, Imperial Life Assurance Co., was appointed vice-pres., with the following executive:—S. E. Cork, Confederation Life; A. E. Pequegnat, Mutual Life Assurance, and J. C. Breckenridge, National Trust Co. Additional directors were appointed as follows: — J. N. K. Macalister, representing the Canadian Pacific Railway; C. D. Henderson, Union Trust Co.; W. Hastie, Canada Life Assurance; C. W. Strathy, North American Life, and R. P. Jellett, of the Royal Trust Co. T. O. F. Herzer, Winnipeg, was reappointed general manager and A. E. Love, Winnipeg, sec.-treas.

Grain and Milling in Canada

WHEAT EXPORTS MAY BE HEAVIER IN NEXT 5 MOS.

If Broomhall Estimate is Correct Canada is Well Situated

It is probable that the world wheat movement will continue on a larger scale in the next five months than during the last five months of 1932, according to the monthly review of the wheat situation of the Dominion Bureau of Statistics. Canada appears to be favorably situated to get a major portion of this trade. World wheat movement has been on a larger scale in the five weeks ended Feb. 16 than during any five weeks' period since the start of the present crop year.

This forecast is based on the exceedingly low reserves of wheat on hand in Europe and the fact that the last six months consumption has reduced such supplies. It is considered probable that Canada will be a strong competitor for this large market during the remainder of the crop year. Australia and Argentina will likely take advantage of this condition also to market the bulk of their wheat surplus.

Broomhall Stands Pat

Broomhall's estimate, which he has not seen fit to change, indicates that world shipments will have to increase in order to fill world import requirements. Broomhall's estimate of world import needs for 1932-33 is 704 million bushels of wheat. In the 28 weeks of the present crop year to Feb. 12, world shipments had amounted to 332 million bushels. If the estimate is correct, this would leave a balance of 372 million bushels to be shipped in the remaining 24 weeks. Of this Australia and Argentina can only supply 165 million bushels without reducing their carryover at July 31, 1933. There must be another 207 million bushels shipped from other countries to fill the estimated requirements.

This apparently leaves Canada in a favorable physical position to obtain a large share of the world market. Russia and the Danube have no substantial amount of wheat for export, and the United States is not considered likely to become an important factor. This leaves Canada as a large potential source of supply.

Canadian Supplies

The visible supply of Canadian wheat for export and carryover, at Jan. 31, 1933, was 262 million bushels, compared with 216 million bushels at the same date in 1932. Thus, the supply has increased only 46 million bushels although the crop was 107 million bushels higher in the current crop year. On the basis of Broomhall's estimate, Canada may be kept busy supplying her large proportion of the 207 million bushels needed by the world from other countries than Australia and Argentina.

Weekly world shipments to fulfill Broomhall's estimate would have to be 13.5 million bushels over the whole crop year. The total shipments of 332 million bushels, in the 28 weeks ended Feb. 12, amount to only 11.8 million bushels weekly. If 372 million bushels are to be shipped in the remaining 24 weeks, the average weekly shipments will have to be at the rate of 15.5 million bushels. As time goes on, and the weekly average fails to rise, the required weekly average, necessary to fill the estimated requirements, increases. If the estimate is to be fulfilled, there may be an even greater rush of Canadian wheat to market than has been the case in recent weeks.

Farmers' Wheat Returns Gain by Greater Volume

Returns to Prairie farmers from this year's wheat crop to the end of January amounted to $86,376,319 compared with $87,092,356 in the same period of the previous crop year, a decrease of less than 1 per cent, according to a compilation of the W. Sanford Evans Statistical Service, Winnipeg. The amount of grain delivered, however, is considerably greater this year than last, the comparative totals being 285,851,000 bu. and 203,601,000 bu.

On this basis the average return to farmers this year is 30.2 cents a bushel compared with 42.8 cents in the same period of the 1931-32 crop year. According to the totals for last year, only 23.5 per cent of the crop by value remained to be marketed at January 31, so that, on this basis, the dollar returns this year will be approximately $110,000,000.

Reduced Freight on Grain Expected to Pacific Coast

Reduced freight rates on low grade feed grains from the Prairie Province to the Pacific Coast will shortly be brought about by the two railway companies following conferences arranged by Hon. R. J. Manion, minister of railways, and representatives of the two railways and the four western provinces.

Judging from the statement of the minister in the House of Commons on February 13, it would appear that the rate reduction will be about 50 per cent of the present difference between the rates on export and domestic grain.

400 Cars of Grain Daily Going Through Kamloops

Some 400 cars of grain a day are reported to be going through Kamloops, from the prairies to Vancouver. About 250 cars daily are going via the C.P.R., and some 150 cars via the C.N.R.

U. S. Wheat Carryover Thought Over-Estimated

Latest Indications Point to Considerable Reduction Rather Than Increase

From Our Own Correspondent

WINNIPEG. — Observers in the United States are beginning to wonder whether or not that country has now quite so large a supply of wheat as it has been credited with, and if there has not been a much greater disappearance through feeding on farms than had been supposed.

The carryover as at July 1 last was 363,000,000 bushels in the United States, and including wheat of that country's production in store in Canada, nearly 380,000,000 bushels. Production was 712,000,000 bushels, or considerably over domestic requirements unless a large quantity should be fed to livestock, and the small export business so far done has suggested that the total carry-over at the end of the current crop year might be increased to 400,000,000 bushels.

Visible Much Lower

But the visible supply of wheat, that is wheat in store at ocean ports or at central markets, is about 55,000,000 bushels less than a year ago. Supplies at ocean ports have in fact been pretty well cleaned up, and it is only at Kansas City where supplies equal to those of a year ago are to be found. Figures are not available as to stocks in country elevators, for the United States government does not keep such a careful statistical record of every bushel of wheat delivered to country elevators as does the government of Canada.

It is generally believed that there is more wheat now in such elevators than was the case a year ago, but not so much that large additional stocks of wheat would not be required to be on farms in order to make the account balance. But recent surveys of farm stocks have disclosed less wheat in such positions than had been expected, and it is suggested that the United States carry-over may be considerably reduced, instead of increased, as at July 1 next.

Corn Feeding Overrated

It has been generally assumed that because of the abundance and cheapness of corn from the crop of 1932 there would be little or no farm feeding of wheat. But two factors, that of time, and that of freight rates, need to be allowed for. Corn was not plentiful, but scarce, during the five months period from the calculation of last year's wheat carry-over and the harvesting and marketing of the new corn crop, and during that time there was opportunity for many million bushels of wheat to be fed to livestock. But even since corn has been abundant and cheap a good deal of wheat may have been fed on farms where it was grown. Cheap as is corn, farmers in the wheat belt may have found it more profitable to feed their wheat than to ship it out and to bring in corn, at the cost of a freight rate in each direction.

Loss of United States export business in flour has reduced the supply of bran and middlings available for feed, and this may have been balanced by the farm grinding of wheat for feed, and the requirements for grain feed may have been increased by the poor production of grass and hay crops during the past two years.

Shanghai Boom Causes Orient To Buy Wheat

From Our Own Correspondent

WINNIPEG. — The news from Manchuria and Jehol makes it difficult to credit the existence of flourishing business in the Orient, but both mail and telegraphic despatches have lately insisted that something like a boom is in progress in Shanghai and tributary territory. To this fact is attributed the large sales of wheat that Australia has recently been making to the Orient, and the expectation that this business is to continue at a satisfactory rate.

While Canada has participated to some small extent in this trade, purchases from Canada have been confined mainly to some comparatively small quantities of high-grade wheat, mainly used by Shanghai millers to contribute strength to flour made in the main from Australian wheat.

Removes Pressure

But the Orient is providing a large part of the current market for Australian wheat, and reducing the pressure of marketings from that country on the British market. Millers in the North Pacific Coast States used to have a good business with China in flour milled from the soft wheat of that area, but this has been lost, to some extent by the holding of United States prices above export levels, and to a considerable extent also by the development of the milling business in Shanghai.

Despatches both from Australia and from Liverpool indicate the expectation that India will be a purchaser this year of some considerable quantities of Australian wheat, both because of somewhat disappointing results from the crop about to be harvested, and also because of exchange conditions facilitating trade.

For these reasons it is quite possible that a proportion of the Australian crop may be withheld for marketing in the Orient during the latter part of this year, with the result of shifting to that country some of the world carry-over of wheat as it will be recorded on July 1 next. Such a shift, as well as the earlier sales that might be made to the Orient would constitute a factor lending strength to the market.

Grain Insurance Co. Improves Position

Net premiums received by the Grain Insurance and Guarantee Co. in 1932 amounted to $487,023 compared with $415,874 in the previous year. The fire branch accounted for the majority of premiums in both years, totals for this branch being $415,772 and $339,884 in 1932 and 1931 respectively.

Net losses paid amounted to $226,810 in 1932 compared with $166,564 in 1931, a fairly large increase, but net income from insurance was greater at $359,007 compared with $355,134. Operating expenses were reduced considerably but taxes are higher. Total expenditures, however, were only $129,811 in 1932 compared with $188,239 in 1931, and therefore net income was considerably higher.

Net income in 1932 was $229,197 compared with $166,895 in 1931. From the 1932 income $79,793 is deducted in payment of dividend on the 7 per cent cumulative preferred stock, leaving $149,404 carried to surplus.

The balance sheet position shows total assets of $2,059,246, of which $1,892,274 is investments listed at cost. Against this is an item of $186,132 for depreciation of investments on government basis of valuation. Total surplus is $382,000.

Winnipeg Grain Prices

Week to February 21

Crop year from Aug. 1, 1932 High	Crop year from Aug. 1, 1932 Low		Open Feb. 15	High for week	Low for week	Close Feb. 21
		Wheat				
.67¾	.40½	May	.47⅝	.49	.47⅝	.48⅝
.54⅛	.41¾	July	.48½	.49⅞	.48⅛	.49½
.51	.46⅞	October	.49¾	.51	.49⅝	.50¾
		Oats				
.29½	.21⅛	May	.24¼	.25⅝	.24¼	.25¼
.26	.21½	July	.23¾	.24⅛	.22⅞	.24⅛
.23½	.21⅞	October	.....	.23	.22½	.22⅞
		Barley				
.38½	.26⅛	May	.29¼	.29⅝	.29	.29⅝
.35⅝	.28	July	.29¼	.29¼	.28⅞	.29¼
.29½	.27⅞	October	.28	.28¼	.27⅞	.28¼
		Flax				
.94	.71¼	May	.79⅝	.80¾	.79½	.80⅛
.84½	.71⅝	July	.80⅛	.80⅜	.79⅛	.79⅞
.84	.76	October	.....	.79⅞	.79	.79⅞
		Rye				
.42⅞	.30¼	May	.....	.34½	.33⅝	.34½
.37	.31	July	.....	.35¼	.34⅛	.35
.36⅛	.34¾	October	.....	.36⅝	.34⅝	.35½

RUMORS PERSIST OF RUSSIAN BUYING

Liverpool Believes Soviet May Require 17,000,000 Bu. From Canada

From Our Own Correspondent

WINNIPEG. — Liverpool suggests that Russia may require to buy from Canada some 17,000,000 bushels of wheat for spring seeding, and some inquiries in Vancouver are believed to have been based on the expectation of a considerable business of this nature.

Russia has on several occasions shipped quantities of wheat from Vancouver to her Pacific ports, but it has not been easy to establish whether or not such wheat has actually been used for seed. Considering the length of time required for transit to the interior, and the subsequent distribution to farms where it might actually be seeded, with the hazards of delay due to inefficient rail and road transportation, delay of seed purchases until this time would seem to be a somewhat risky business.

The movement of Canadian wheat at this time to Russia might rather represent the replacement of local supplies which had been called on for seed, or the drying up of farm supplies because of the necessity of withholding seed. In former years Russian peasant farming, or perhaps rather the system of financing such farming, was notoriously improvident with respect to the retention of seed grain, and it was considered not unusual for a peasant to buy back in the spring, and at an enhanced price, some of the very grain that he had sold from his farm some months earlier.

Must Cut Acreage 30% To Get U. S. Crop Loans

Farmers in the United States, who receive crop production loans through the Reconstruction Finance Corp., will be required to reduce the acreage planted to cash crops by 30 per cent this year. This regulation was recently announced by A. M. Hyde, U. S. Secretary of Agriculture.

The Secretary's regulations, however, stipulate that acreage reduction will not be required of farmers who, in 1933, plant no more than 8 acres of cotton; 2½ acres of tobacco; 40 acres of wheat; 20 acres of corn; 2½ acres of truck crops; 12 acres of sugar beets; 8 acres of potatoes; 30 acres of rice; 8 acres of peanuts.

The maximum amount of loan permissible is $300 for any one farmer, and the total sum to be available for such loans is $90,000,000. Notes for these loans will bear 5½ per cent interest, and will mature on Oct. 31, 1933.

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THE TRUSTS AND GUARANTEE COMPANY, LIMITED

Annual Statement of Affairs As at 31st December, 1932

ASSETS

CAPITAL ACCOUNT:		
Office premises, furniture	$ 331,160.77	
Real Estate held for sale	263,711.24	
Mortgages	78,204.28	
Dominion, Provincial and Municipal Bonds	13,213.62	
Other Bonds and Debentures	707,607.00	
Loans on Stocks, Bonds, etc.	59,881.91	
Advances to Estates, Trusts	6,667.78	
Stocks	332,925.57	
Cash in Chartered Banks	97,625.72	
Other Assets	320,741.74	$ 2,211,739.63
GUARANTEED ACCOUNT:		
Mortgages	$ 4,815,409.35	
Dominion, Provincial, Municipal Bonds and School District Debentures	1,581,675.87	
Other Bonds	428,881.67	
Loans on Bonds, etc.	89,893.67	
Real Estate held for sale	42,264.60	
Cash in Chartered Banks	110,507.73	$ 7,068,632.89
ESTATES, TRUSTS AND AGENCIES:		
Funds and Investments	$33,830,469.20	$33,830,469.20
		$43,110,841.72

LIABILITIES

CAPITAL ACCOUNT:		
Capital Stock paid up	$ 1,977,887.31	
Other Liabilities	101,286.62	
Dividend due 1st Jan., 1933	29,668.30	
Profit and Loss Balance	102,897.40	$ 2,211,739.63
GUARANTEED ACCOUNT:		
Trust Funds for Investment	$ 5,660,637.87	
Trust Deposits	1,407,995.02	$ 7,068,632.89
ESTATES, TRUSTS AND AGENCIES:		
Estates, Trusts and Agencies	$33,823,801.42	
Due to Company Funds	6,667.78	$33,830,469.20
		$43,110,841.72

J. J. WARREN, President.

E. B. STOCKDALE, General Manager.

in the twinkling of an eye

A MATTER of MINUTES YET. . . . . . . DAYS WERE SAVED

The customer had made a mistake in specifications. The Montreal manufacturer daren't change them without authority. A telephone call was put in to Vancouver, the customer's home city. It reached him five minutes before his departure for a holiday in the south. The situation was cleared up. The customer admitted his error, gave the correct specification.

Just a matter of minutes, yet days were saved and the customer's schedules filled on an order involving $100,000.

For swift, economical transaction of out-of-town business, use the telephone. The Trans-Canada Telephone System provides direct coast-to-coast circuits in which connections are speedy, conversations clear as on local calls and rates moderate.

Between
VICTORIA
and Montreal - - $8.50
" Saint John - 9.50
" Halifax - - - 10.25
VANCOUVER
and Calgary - - - $2.60
" Ottawa - - - 8.00
" Saint John - 9.50
CALGARY
and Hamilton - - $6.25
" Saint John - 8.00
" Montreal - - 7.00
EDMONTON
and Winnipeg - - $3.00
" Toronto - - - 6.25
" Halifax - - - 8.50
REGINA
and Victoria - - $3.50
" Toronto - - - 4.75
" Montreal - - 5.50
WINNIPEG
and Vancouver - $4.50
" Sydney - - - 6.25
" Halifax - - - 6.25
TORONTO
and Vancouver - $7.75
" Saint John - - 2.55
" Halifax - - - 3.50
MONTREAL
and Vancouver - $8.25
" Edmonton - 6.75
" Halifax - - 2.40
SAINT JOHN
and Edmonton - $7.75
" Winnipeg - - 5.50
" Quebec - - - 1.30
HALIFAX
and Vancouver $10.00
" Calgary - - - 8.75
" Ottawa - - - 2.80

● NOTE: The above rates are for Station-to-Station Day Messages.

Alberta Government Telephones
Bell Telephone Company of Canada
British Columbia Telephone Co.
Saskatchewan Government Telephones
Manitoba Telephone System
Maritime Telegraph & Telephone Co.
New Brunswick Telephone Co.

THE TRANS-CANADA TELEPHONE SYSTEM

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING FEBRUARY 20

Range 1933 High	Low	Divd. Rate in $	Yield in % Feb.		Sales	Close Feb. 13 (or last)	Week Ending Feb. 20 High	Low	Close
				A					
.37	.20	.	...	Abitibi	822	.35	.35	.25	.25
1½	1	.	...	Do. pref. 6%	50	1½	1½	1½	1½
x80	80	7	...	Acme F. D'y p	....	..	..	..	..
x5	4½	.	...	Agnew Surp.	....	..	..	..	..
60	60	7	11.7	Do. pref.	....	60	..	..	..
4	3½	.	...	Alta. Pac. Gr.	100	4	3½	3½	3½
21½	20	.	...	Do. pref.	....	20½	..	..	..
x3½	1½	.	...	Amal. Electric	....	..	..	..	..
4	4	.	...	Do. pref.	....	4	..	..	..
†3½	3½	.	...	Anglo. N. Hold.	....	..	..	..	..
x.30	.15	.	...	Asbestos	....	.20	..	..	..
.60	.60	.	...	Do. pref.	....	.60	..	..	..
5	4	.	...	Assoc. Brew.	80	4	4½	4	4
72	65	7	10.8	Do. pref.	....	65	..	..	..
x3	3	.	...	Assoc. Can.	....	..	..	..	..
†69	65	.	...	Assoc. Tele.	....	..	..	..	..
x30	16	.	...	Atlan. Sugar	....	20½	..	..	..
x120	92	.	...	Do. pref.	....	..	..	..	..
				B					
130	128	10	7.8	Bk. Can. Nat.	77	129½	130	128	128
189	168	10	5.8	Bk. Montreal	292	172	172¼	168	171
265	255	14	5.5	Bk. N. Scotia	53	258	257	255	255
172	164	10	5.9	Bk Toronto	40	169	170	170	170
x10½	10½	.	...	Barcelona	....	..	..	..	..
2¼	1	.	...	Bathurst Pr.	....	2	..	..	..
x1½	½	.	...	Do. (B)	....	1	..	..	..
†26	26	.	...	Bawlf Grain	....	..	..	..	..
x20	15	.	...	Do. pref.	....	15	..	..	..
4	4	.	...	Beath & Sons	....	4	..	..	..
5	3½	.	...	Beatty Bros. A	....	4½	..	..	..
57	56	6	10.5	Do. pref.	....	57	..	..	..
1.50	.70	.	...	Beauharnois	19627	1.12	1.25	.85	.90
x63	60	7	...	Belding Cort.	....	63	..	..	..
89	89	7	7.9	Do. pref.	....	89	..	..	..
100	83	7	7.9	Bell Telephone	1866	91	90½	88	84
3½	3½	.	...	Biltmore Hats	....	3½	..	..	..
65	63	7	11.1	Do. pref.	....	63	..	..	..
x4	1½	.	...	Bissell, T. E.	....	1½	..	..	..
†97	88	.	...	Do. pref.	....	..	..	..	..
x8	2	.	...	Blue Ribbon	....	2	..	..	..
12	11½	2	16.7	Do. pref.	2	11½	12	12	12
20	19	2	10	Brant. Cd. pf.	....	20	..	..	..
10	7⅞	.	...	Brazilian Tr.	6601	8¾	8½	7⅞	7⅞
.55	.55	.	...	Brew. & Distil.	....	.55	..	..	..
.25	.12	.	...	Brewing Corp.	200	.25	.15	.15	.15
1½	1	.	...	Do. pref.	....	1	..	..	..
8½	7½	80c	10	Brit. Amer. Oil	6916	7½	8½	7⅞	8½
1⅝	1	.	...	B.C. Packers	35	1⅝	1½	1⅝	1½
7½	6	.	...	Do. pref.	....	7½	..	..	..
16½	14	2	12.5	B.C. Power (A)	1270	15½	16	15	15½
4½	3	.	...	Do. (B)	510	4	4	3½	3½
4½	4	.	...	Bruck S. Mills	....	4	..	..	..
12½	10¾	1	9.1	Building Prod.	10	11	11	11	11
28	20½	2	9.1	Burt, F. N.	180	23	23½	22	22
				C					
x125	120	6	5	Calgary Pr.	....	120	..	..	..
1½	1½	.	...	Canada Bread	50	1½	1½	1½	1½
68	68	7	10.3	Do. pref. A.	....	68	..	..	..
10	10	.	...	Do. pref. B.	....	10	..	..	..
7½	6	1	14.3	Canada Bud	750	7½	7½	7	7
3½	2½	.	...	Canada Cement	565	2⅞	2⅞	2¾	2⅞
20½	16	.	...	Do. pref.	65	19	19	18	18
b10⅝	8½	1	11.4	Canada Dry	2000	8½	8½	8¼	8½
3	2	.	...	Can. Forg. (A)	70	2½	3	3	3
x7½	2	.	...	Do. (B)	....	7½	..	..	..
x15	15	.	...	Canada Iron	....	15	..	..	..
†80	75	3	...	Do. pref.	....	..	..	..	..
425	425	20	4.7	Canada Life	....	425	..	..	..
14½	13½	1.50	10.9	Can. Malting	155	13⅝	13⅝	13½	13½
13	13	80c	6.1	Can. Nor. Pr.	....	13	..	..	..
70½	65	7	9.9	Do. pref.	6	70	70½	70	70½
†6	⅛	.	...	Can. Paving	....	..	..	..	..
10	4	.	...	Do. pref.	10	5	4	4	4
153	135	12	8.9	Can. Perman.	98	135	136	135	135
x1.00	.50	.	...	Can. Pr. & Pa.	....	.55	..	..	..
x3½	¾	.	...	Can. Steamsh's	....	1¼	..	..	..
4	2½	.	...	Do. pref.	75	3⅞	3½	3	3
15½	13½	1.60	11.1	Can. Vinegars	30	15	15	14⅝	14⅝
x55	28½	.	...	Can. W. Cable	....	32	..	..	..
8½	8	.	...	Do. (B)	....	8	..	..	..
x1½	1¼	.	...	Can. Bakeries	....	1½	..	..	..
x14	5	.	...	Do. pref.	....	5	..	..	..
140	133	10	7.4	Can. Bk. Com.	322	138	138	134	135
14½	12	1.25	10.2	Can. Bronze	70	12½	12½	12	12
81	78½	7	8.7	Do. pref.	5	80	80	80	80
3⅝	3	.	...	Can. Canners	....	3	..	..	..
55	50½	6	10.9	Do. 1st pfd.	....	55	..	..	..
5½	4¾	40c	8.4	Do. 2nd pfd.	5	4⅞	4¾	4¾	4¾
4⅝	3½	.	...	Can. Car & F'y	340	3½	3½	3½	3½
12	10	1.75	15.9	Do. pref.	1399	10⅞	11	10½	11
9½	7¾	.	...	Can. Celanese	1000	8½	7¾	7½	7¾
84	77	7	8.6	Do. pref.	36	80	81	81	81
16	14¾	2	13.3	Can. Convert.	....	15	..	..	..
‡50	45	.	...	Can. Cottons	....	..	..	..	..
47	47	6	12.8	Do. pref.	27	47	47	47	47
13¾	10	1	...	Can. Dredge	45	10	10	10	10
†92	92	7	...	Do. pref.	....	..	..	..	..
x68	60	6	...	Can. Fairb. pf.	....	60	..	..	..
2½	2½	.	...	Can. For. Inv.	....	2⅞	..	..	..
35	35	2½	...	Do. pref.	....	35	..	..	..
100	100	4	4	Can. Gen. Elec.	3	..	100	100	100
56½	54	3.50	6.5	Do. pref.	2	54⅞	54	54	54
x3½	3½	.	...	Can. G. Inv. T.	....	3½	..	..	..
41	35½	6	14.6	Can. Hyd. El. p	186	38	41	38½	41
2¼	1½	.	...	Can. Ind. Alc.	565	1½	2	1½	2
1½	1	.	...	Do. (B)	5	1½	1½	1½	1½
†5.00	3.95	.	...	Can. Int. I. Tr.	....	..	..	..	..
†70	64½	.	...	Do. pref.	....	..	..	..	..
x21	15	1	...	Can. Lt. & Pr.	....	15	..	..	..
x1½	1	.	...	Can. Locomo.	....	1	..	..	..
‡25	5	.	...	Do. pref.	....	..	..	..	..
b1½	1	.	...	Can. Marconi	2518	1⅛	1⅛	1	1
10	7	50c	7.1	Canadian Oil	127	7	7½	7	7½
96	92	8	8.7	Do. pref.	....	92	..	..	..
16½	10¾	.	...	Can. Pacific	10556	12⅞	12½	10⅞	11
1	1	.	...	Can. Vickers	....	1	..	..	..
x20½	20½	.	...	Do. pref.	....	20½	..	..	..
2¼	1½	20c	8.9	Can. Wineries	50	2¼	2¼	2¼	2¼
4½	3½	.	...	Can. Wire Box	....	3½	..	..	..
6½	5½	.	...	Catelli Mac. A	....	6	..	..	..
†5	5	.	...	Do. (B)	....	..	..	..	..
†301	290	10	...	Cent. Can. L'n.	....	..	..	..	..
.90	.55	.	...	Chem. Research	500	.70	.72	.65	.65
.80	.80	.	...	Claude Neon	....	.80	..	..	..
4⅛	3	.	...	Cockshutt Plow	380	3½	4	3½	4
x2	½	.	...	Comm. Alcohol	....	1½	..	..	..
x3¾	1	.	...	Conduits	....	1½	..	..	..
†94	84	.	...	Do. pref.	....	..	..	..	..
3½	2	.	...	Cons. Bakeries	275	3	3	2½	2½
1½	1½	.	...	Cons. Industries	....	1½	..	..	..
x4	4	.	...	Cons. Paper	....	4	..	..	..
5	3½	.	...	Cons. Press	....	5	..	..	..
x85	30	.	...	Cons. Sand. p.	....	35	..	..	..
68	57½	10%▲	...	Cons. Smelters	2000	64	64	58	60
179	170	10	5.6	Consumers Gas	110	175½	179	175	177
‡35	30	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	.	...	Do. pref.	....	..	..	..	..
†20½	15	.	...	Corpor. Steel	....	..	..	..	..
‡90	90	.	...	Corr. P. Box p	....	..	..	..	..
1½	1½	.	...	Cosgrave Brew.	....	1½	..	..	..
3	3	.	...	Cosmos Imp.	....	3	..	..	..
47½	46½	3.50	7.4	Do. pref.	10	47½	47½	46½	46½
3½	2	.	...	Crown Dom. Oil	....	2	..	..	..
20	20	6	...	Crow's N. Coal	....	20	..	..	..
				D					
1½	1½	.	...	David & Fre. B.	....	1½	..	..	..
†12½	12½	.	...	De Havilland	....	..	..	..	..
x15	10	.	...	Do. pref.	....	10	..	..	..
†9	5	.	...	Disher Steel	....	..	..	..	..
†10	10	.	...	Do. pref.	....	..	..	..	..
5½	4	.	...	Distill-Seagram	545	5½	5½	4¾	5
5	5	.	...	Dodge (A) pf.	....	5	..	..	..
x2	1¾	.	...	Do. (B)	....	2	..	..	..
148	135	10	6.9	Dom. Bank	52	146	145	144	144
18	13½	2	12.5	Dom. Bridge	690	15⅝	16⅝	15⅝	16
x4	4	.	...	Dom. Coal	....	4	..	..	..
12	10	.	...	Dom. Engineer	....	11½	..	..	..
58	40	5	11.9	Dom. Glass	7	40	42	40	40
102	100	7	7	Do. pref.	5	102	100	100	100
2½	1½	.	...	Dom. Motors	77	1½	1½	1½	1½
2	1½	.	...	Dom. Pr. Stubs	80	1½	1½	1½	1½
1.12	.75	.	...	Dom. St. & C B	35	.85	.90	.80	.90
17½	15½	1.20	7.5	Dom. Stores	679	16½	16½	15½	15⅝
1½	1½	.	...	Dom. Tar & Ch.	....	1½	..	..	..
9	5	.	...	Do. pref.	15	5	5	5	5
52½	46⅞	4	8.3	Dom. Textile	1392	47½	48½	47½	48
95½	95	7	7.3	Do. pref.	....	95½	..	..	..
†12	10	.	...	Donnacona	....	..	..	..	..
1½	1	.	...	Dryden Paper	265	1	1	1	1
1	1	.	...	Duff. Paving	....	1	..	..	..
10	5	.	...	Do. pref.	5	5	10	10	10
				E					
x30	3	.	...	East. Koot. Pr.	....	3	..	..	..
†97	94½	.	...	Do. pref.	....	..	..	..	..
5	3	.	...	East. Dairies	....	3½	..	..	..
x9½	9½	.	...	East. Steel	....	9½	..	..	..
x74	74	7	...	Do. pref.	....	74	..	..	..
‡34	34	2	...	East. Theatres	....	..	..	..	..
†85	80	7	...	Do. pref.	....	..	..	..	..
x1	1	.	...	Easy Washer	....	1	..	..	..
7½	7½	75c	10	Economic Inv.	....	7½	..	..	..
†15	15	.	...	Edmonton D'y.	....	..	..	..	..
†80	78⅞	6.50	...	Do. pref.	....	..	..	..	..
x4	4	.	...	Enam. & Heat.	....	4	..	..	..
8	8	.	...	Eng. Electric	....	8	..	..	..
1½	1½	.	...	Do. (B)	....	1½	..	..	..
				F					
x8	6	.	...	Fam. Players	....	..	..	..	..
x10	7½	.	...	Do. Vot. Tr.	....	..	..	..	..
10	8½	25c	...	Fanny Farmer	....	10	..	..	..
23	23	2.40	10.4	Do. pref.	....	23	..	..	..
†83½	75	.	...	Firstbrook Box	....	..	..	..	..
8	6	.	...	Ford Motors A	4970	7½	7½	6	6½
1½	1½	.	...	For. Pr. Secs.	....	1½	..	..	..
x9	4	.	...	Foundation Co.	....	4	..	..	..
.25	.25	.	...	Fraser Cos.	....	.25	..	..	..
x50	50	.	...	Front. Brew.	....	50	..	..	..
x50	50	.	...	Do. pref.	....	50	..	..	..
†8	5	.	...	Frost Steel	....	..	..	..	..
x37	35	.	...	Do. pref.	....	35	..	..	..
				G					
1.12	.70	.	...	Gen. St. Wares	840	.90	.90	.75	.75
67½	45½	5	10.9	Goodyear Tire	250	56	55	45½	47
91	85	7	8.1	Do. pref.	97	90	90	85	86
†93½	93½	.	...	Gould Pumps, p	....	..	..	..	..
⅜	⅜	.	...	Gt. W. Saddlery	....	⅜	..	..	..
x8	5	.	...	Do. pref.	....	8	..	..	..
7⅛	5	60c	9.2	Gurd, Chas.	80	7	7	6	6
x106	100	7	...	Do. pref.	....	100	..	..	..
2½	1½	.	...	Gypsum, Lime.	810	1½	1½	1½	1½
				H					
3½	2½	.	...	Ham. Bridge	5	3½	3	3	3
x60	44½	.	...	Do. pref.	....	45	..	..	..
5½	5½	.	...	Ham. Cot., pf.	....	5½	..	..	..
2½	2½	.	...	Ham. U. Theat.	....	2½	..	..	..
x53	30	7	...	Do. pref.	....	..	..	..	..
⅜	⅜	.	...	Hayes Wheel	....	⅜	..	..	..
x4	4	.	...	Do. pref.	....	4	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.	....	..	..	..	..
3	2	.	...	Hinde & Dauch	50	3	3	3	3
†75	75	.	...	Holt Renfrew	....	..	..	..	..
‡96½	90	7	...	Do. pref.	....	..	..	..	..
⅜	⅜	.	...	Honey Dew	....	⅜	..	..	..
x40	10	.	...	Do. pref.	....	11	..	..	..
2⅜	2	.	...	H. Smith Pap.	....	2	..	..	..
x27	16	.	...	Do. pref.	....	16	..	..	..
17	14½	2	13.3	Humberstone S	....	14½	..	..	..
8	5	1	18.2	Hunt (A)	35	6	5½	5	5½
†23½	12½	1	...	Do. (B)	....	..	..	..	..
102	83	8	9.1	Huron & E. Mt.	43	83	87½	85	87½
18	14	.	...	Do. 20% pd.	....	14½	..	..	..
x11½	4⅝	.	...	Hydro Electric	....	6	..	..	..
				I					
158	148	10	6.7	Imperial Bank	46	151	150½	150	150
9½	8	50c	6.1	Imperial Oil	8185	8⅝	8⅝	8	8
8½	7	35c*	4.4	Imperial Tob.	1820	8	8	7⅞	8
†80	80	8	...	Inter. Coal, p.	....	..	..	..	..
x6	6	.	...	Int. Hyd. E. A.	....	6	..	..	..
100	98	7	7.1	Inter. Mill. pf.	10	100	98½	98½	98½
85	84	6	7	Do. Series A	....	85	..	..	..
10⅜	8½	.	...	Inter. Nickel	42735	9⅞	9⅞	8⅞	9⅛
x4	4	.	...	Inter. Paints	....	4	..	..	..
b1⅛	⅝	.	...	Int. Pa & Pr A	600	1	1	¾	¾
b⅝	⅜	.	...	Do. (B)	600	⅜	⅜	⅜	⅜
b½	⅜	.	...	Do. (C)	1500	¼	¼	¼	¼
b4½	2½	.	...	Do. pref.	100	3	3	3	3
12½	10½	1	8.3	Inter. Pete.	2905	12½	12½	11½	11½
x2½	2½	.	...	Inter. Power	....	..	..	..	..
x20	20	.	...	Do. pref.	....	..	..	..	..
7	6½	.	...	Int. Util. (A)	150	6½	6½	6½	6½
1½	1	.	...	Do. (B)	....	1½	..	..	..
				J					
†40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
75	75	7	9.3	Do. pref.	....	75	..	..	..
				K					
1½	1	.	...	Kelvinator	....	1	..	..	..
57	57	7	12.3	Do. pref.	....	57	..	..	..
				L					
6	5	.	...	Lake of Woods	75	5	5	5	5
34	30	.	...	Do. pref.	....	34	..	..	..
†140	140	8	...	Landed Bank	....	..	..	..	..
39	36	3	7.7	Laura Secord	5	38½	39	39	39
1½	1½	.	...	Lindsay, C. W.	5	..	1½	1½	1½
x69	36	6.50	...	Do. pref.	....	39	..	..	..
12	10⅛	80c	6.8	Loblaw (A)	1501	12	12	11½	11½
11½	10⅛	80c	7.2	Do. (B)	....	11½	..	..	..
‡2¾	2¾	.	...	Loew's, London	....	..	..	..	..
				M					
†25	19	.	...	McKin. Steel	....	..	..	..	..
†95	90	3.50	...	Do. pref.	....	..	..	..	..
3½	3½	.	...	Manitoba Pr.	....	3½	..	..	..
x5	2	.	...	Maple Leaf	....	3	..	..	..
5	5	.	...	Do. pref.	....	5	..	..	..
6	6	.	...	Marcus Loew's	....	6	..	..	..
35	35	.	...	Do. pref.	....	35	..	..	..
3¾	2⅝	.	...	Massey-Harris	286	2⅞	3	2¾	3
9	7⅞	60c	7.2	McColl Fron.	575	8	8⅜	7⅝	8⅜
61	60	6	9.8	Do. pref.	25	61	61	61	61
†45	35	.	...	Mexican L & P	....	..	..	..	..
‡25	25	.	...	Mercury Mills	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
†40½	40	.	...	Mitchell, J. S.	....	..	..	..	..
x105	105	7	...	Do. pref.	....	105	..	..	..
4½	3	.	...	Mitchell, Robt.	5	4	4½	4½	4½
†1	1	.	...	Monarch Knit.	....	..	..	..	..
x30	20	.	...	Do. pref.	....	20	..	..	..
x75	45	.	...	Montreal Cot.	....	50	..	..	..
x75	65	7	...	Do. pref.	....	68½	..	..	..
¼	¼	.	...	Montreal Exhib	....	¼	..	..	..
x11	5	.	...	Mont. Is. Pr.	....	5	..	..	..
32½	27½	1.50	5	Mont. L. & Pr.	4465	29½	30	28⅝	28⅝
x48	40	3+25	7.5	Montreal Loan	....	43½	..	..	..
43	42	3.20	7.6	Montreal Tele.	....	42	..	..	..
100	95	9	9.3	Montreal Trams	45	97	97	97	97
7	5½	.	...	Moore Corp.	100	6	5½	5½	5½
79½	70	7	10	Do. (A)●	....	70	..	..	..
86½	85	7	8.2	Do. (B)	5	85½	85	85	85
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	.	...	Do. pref.	....	..	..	..	..
½	½	.	...	Muirheads	....	⅛	..	..	..
5	5	.	...	Do. pref.	....	5	..	..	..
				N					
16½	14½	1.60	10.5	Nat. Brew.	960	15½	15½	14⅞	15½
29½	27	1.75	6.2	Do. pref.	....	27½	..	..	..
x½	½	.	...	Nat. Brick	....	½	..	..	..
x3	3	.	...	Do. pref.	....	3	..	..	..
16	16	2.40	15	N. Sew. Pipe A	....	16	..	..	..
9	5⅞	80c	13.3	Nat. Steel Car	220	6¼	6	6	6
212	200	12	6	National Tr.	1	200	200	200	200
x10	10	.	...	Niag. W. Weav	....	..	..	..	..
x20	16	.	...	Do. pref.	....	16	..	..	..
1.50	1.37	.	...	North Star Oil	....	1.37	..	..	..
3.00	3.00	35c	11.6	Do. pref.	....	3.00	..	..	..
‡25	25	.	...	N.S. Steel, pf.	....	..	..	..	..
				O					
116	105	8	7.6	Ogilvie Flour	93	105	110	105	108½
112	108	7	6.2	Do. pref.	5	108½	112	112	112
5½	5	.	...	Ont. Eq. 10% p	10	5½	5	5	5
x107	94½	6	5.8	Ontario Loan	....	103½	..	..	..
7	5	.	...	Ont. Silknit	....	..	..	..	..
†16	18	.	...	Ont. Steel	....	..	..	..	..
‡105	105	.	...	Do. pref.	....	..	..	..	..
⅜	⅜	.	...	Orange Crush	....	⅜	..	..	..
x48	18	.	...	Do. (A)	....	18	..	..	..
x½	½	.	...	Do. (B)	....	½	..	..	..
88	88	6	6.8	Ott. L. H. & P.	....	88	..	..	..
90	89	6.50	7.3	Do. pref.	....	89	..	..	..
x10	8	.	...	Ott. Traction	....	10	..	..	..
				P					
53¾	44¾	3	6.4	Page Hersey	145	49	48⅞	47	47
b2⅞	¾	.	...	Paramount	9500	⅜	⅜	⅜	⅜
x20	20	.	...	Paton Mfg.	....	20	..	..	..
†94	94	7	...	Do. pref.	....	..	..	..	..
¼	¼	.	...	Pelissiers	....	¼	..	..	..
†30	25	.	...	Do. pref.	....	..	..	..	..
28	20	3	15	Penmans	10	25	20	20	20
x80	65	6	8	Do. pref.	....	75	..	..	..
9½	8½	.	...	Photo Eng.	....	8½	..	..	..
†70	64	7	...	Porto Rico Pr. p	....	..	..	..	..
b7⅞	4⅞	.	...	Postal Tele. p.	....	..	..	..	..
8⅞	6	.	...	Power Corp.	585	8	8	6½	6½
x90	25	6	14.3	Do. pref.	....	42	..	..	..
1	1	.	...	Prairie C. Oil	....	1	..	..	..
16	10½	.	...	Pressed Metals	5	12	10½	10½	10½
4⅞	4⅞	.	...	Price Bros.	....	4⅞	..	..	..
x2	2	.	...	Do. pref.	....	..	..	..	..
				Q					
14	11⅝	1	8.3	Quebec Power	602	12	13	11⅝	12
				R					
95	85	7	8.2	Real Estate L'n	....	85	..	..	..
.65	.65	.	...	Regent Knit.	....	.65	..	..	..
x10	5½	.	...	Reliance Grain	....	9	..	..	..
8½	7	1	12.5	River. S. Mills	....	8	..	..	..
5	5	1	20	Robinson Cone	....	5	..	..	..
1	1	.	...	Rogers Majes.	....	1	..	..	..
143	136	10	7.3	Royal Bank	32	139	139½	137	138½
†84	75	.	...	Ruddy, E. L. p	....	..	..	..	..
x33	32½	.	...	Russell Motor	....	32½	..	..	..
45	44	7	15.9	Do. pref.	....	44	..	..	..
				S					
x4	3	.	...	Sarnia Br. A	....	3	..	..	..
x1	1	.	...	Do. (B)	....	1	..	..	..
3⅜	3	.	...	Service Station	765	3	3	3	3
25	20	.	...	Do. pref.	....	25	..	..	..
13¾	9⅞	50c	4.5	Shawinigan	4094	12	11⅞	10½	10½
8	6	.	...	Sher. Wms.	5	8	6	6	6
60	60	7	11.7	Do. pref.	....	60	..	..	..
x17	5	.	...	Simon & Son	....	5½	..	..	..
x80	60	.	...	Do. pref.	....	60	..	..	..
12	7	.	...	Simpson, Ltd.	32	9	8	7	8
†44½	36	.	...	Do. (A)	....	..	..	..	..
x9	9	.	...	Do. (B)	....	..	..	..	..
74	56	6	10.7	Simpson, R., p.	50	60	56	56	56
15	12	1	8.3	So. Can. Pr.	17	12	12½	12	12
79	68	6	8.6	Do. pref.	31	70	72	70	72
.35	.25	.	...	St. Law. Corp.	50	.25	.30	.30	.30
1⅞	1	.	...	Do. (A)	270	1¼	1¼	1	1
x30	9	1.50	5	St. Law. Flour	....	30	..	..	..
x99½	70	7	7	Do. pref.	....	99½	..	..	..
3⅝	2⅜	.	...	St. Law. Pa. p	....	3½	..	..	..
1	¼	.	...	St. Pav. & Mat.	....	..	..	..	..
x46	25	.	...	Do. pref.	....	29½	..	..	..
x6	4	50c	...	Stand. Chem.	....	6	..	..	..
2⅝	1	.	...	Stand. Steel	25	2½	2	2	2
†35	30	3	...	Do. pref.	....	..	..	..	..
17¼	14½	1.75	10.9	Steel of Can.	475	16	16	15½	16
27	25	1.75	6.8	Do. pref.	225	26	25⅞	25⅞	25⅞
x1½	½	.	...	Sterling Coal	....	1	..	..	..
x300	290	.	...	Sun Life Assur	....	290	..	..	..
14	12	1	8	Sup. Pete. ord.	110	13	13	12½	13
13	12	1	8	Do. com.	....	12½	..	..	..
96	93	7	7.3	Do. pref.	....	96	..	..	..
				T					
x42	35	.	...	Tamblyn	....	40	..	..	..
88	85	7	8.2	Do. pref.	10	88	85	85	85
x18	14½	.	...	Thayers, pfd.	....	16	..	..	..
2	1	.	...	Tip Top Tailors	....	1	..	..	..
x67	40	7	...	Do. pref.	....	40	..	..	..
†22	10	.	...	Tooke Bros.	....	..	..	..	..
†67	48½	.	...	Do. pref.	....	..	..	..	..
14	12½	1	...	Tor. Elevators	....	13	..	..	..
167	160	10	6.2	Tor. Gen. Tr.	14	166½	166	160	160
98½	92	6	6.5	Toronto Mtge.	17	92	92	92	92
x¼	¼	.	...	Traymore	....	¼	..	..	..
2	2	.	...	Do. pref.	....	2	..	..	..
110	107	7	6.4	Tuckett Tob. p	....	110	..	..	..
b1⅛	1½	.	...	Twin City	....	5	..	..	..
b7⅜	7	.	...	Do. pref.	....	..	..	..	..
x37	23	.	...	Do. (notes)	....	..	..	..	..
				U					
4	3	.	...	Union Gas	39	3½	3½	3	3½
x100	85	.	...	Union Trust	....	85	..	..	..
†8	8	.	...	United Fuel	....	..	..	..	..
9½	5	.	...	Do. pref.	5	5	6	6	6
19½	19½	2	10.2	United Secs.	....	19½	..	..	..
				V					
x11	5	.	...	Viau Biscuit	....	5	..	..	..
x75	59	.	...	Do. pref.	....	59	..	..	..
				W					
7	6	.	...	Wabasso Cot.	....	6	..	..	..
5½	4½	.	...	Walker-Good.	2892	5⅝	5⅝	4¾	4¾
9½	9¼	1	10.5	Do. pref.	711	9½	9½	9⅛	9½
1½	1½	.	...	Waterloo Mfg.	....	1½	..	..	..
x80	75	7	...	W. Koot. Pr. p	....	80	..	..	..
4	4	.	...	West. C. Flour	....	4	..	..	..
55	53½	6.50	11.8	Do. pref.	....	53½	..	..	..
x12½	10	.	...	West. Grocers	....	11½	..	..	..
55	55	7	12.7	Do. pref.	15	..	55	55	55
†91	85	.	...	W. Steel Pr. p	....	..	..	..	..
20½	18	1	5	Weston Bisc.	50	20½	20	19	19
71	67	7	10.1	Do. pref.	35	71	69	69	69
3	3	.	...	Windsor Hotel	5	3	3	3	3
10	10	.	...	Do. pref.	20	..	10	10	10
3½	2½	.	...	Winnipeg Elec.	75	3	3	2½	3
8	5	.	...	Do. pref.	5	7	6	6	6
†46	46	.	...	Woods Mfg. p.	....	..	..	..	..
				Z					
x1	1	.	...	Zimmerknit, c.	....	1	..	..	..

x Quotations for 1932. No sales recorded in 1933 to date.
† Quotations for 1931.
‡ Quotations for 1930.
b New York Quotations.
▲ Stock dividend.
● On account of arrears covering quarter ended Mar. 31, 1932.
* Plus final dividend of 17½c. payable Mar. 31.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited) Investment Bankers, Toronto

February 21, 1933

Industrial Stocks	Bid	Asked
Acadia Sugar c.	.35	.65
Acadia Sugar 6% pfd.	2.75	3.30
Acme Farmers Dairy 7% pfd.	59.00	65.00
Acme Glove pfd. bonus c.	7.25	9.00
Agnew Surpass 7% pfd.	59.00	65.00
Allens Beach 7% pfd. bonus c.	31.50	....
Allens College 7% pfd. bonus c.	31.50	....
Allens London 7% pfd. bonus c.	31.50	....
Allens St. Cath. 7% pfd. bonus c.	31.50	....
Allens St. Clair 7% pfd. bonus c.	31.50	....
Allens Toronto 7% pfd. bonus c.	16.50	....
Andian Nat. Corp.	20.00	23.25
Atlantic Sugar "A" pfd.	70.00	80.00
B.C. Pulp & Paper pfd.	5.25	8.00
Burns pfd. bonus com.	3.00	4.50
Canada & Dom. Sugar	21.75	22.75
Canada Mach. c.	2.50	5.00
Canada Mach. pf.	14.25	....
Canada Pack. c.	....	12.00
Canada Packers 7% pfd.	72.50	....
Canada Starch 7% pfd.	61.00	68.00
Canada Tea 7% pfd.	48.00	54.00
Canada Wire & Cable 6½% pfd. W.W.	....	60.00
Can. Industries c. "A"	72.25	....
Can. Industries c. "B"	69.00	73.00
Can. Industries 7% pfd.	115.00	....
Can. Westing.	35.00	....
Claude Neon Gen. Adv. Units	15.00	17.25
Claude Neon Gen. Adv. c.	....	.75
Dom. Foundries & Steel 8% pfd.	....	64.50
Dom. Foundries & Steel c.	....	4.25
Dom. Mfrs. 7% pfd.	60.00	69.50
Dunlop Tire 7% pfd.	40.00	....
Eastern Dairies Ltd. 7% pfd.	49.00	54.50
Edmonton Stockyards Units	38.25	52.00
Federal Grain 6½% pfd.	20.25	25.00
Gen. Steel Wares pfd.	5.00	7.00
Goderich Elevator & Transit	6.00	7.50
Greening Wire 7% pfd.	....	60.50
Guardian Realty 7% pfd.	....	23.50
Guelph Carpet 6½% pfd. bonus	65.50	72.00
Guelph Carpet c.	4.25	....
Inter. Proprietaries "A"	25.00	27.00
Langleys Ltd. 7% pfd.	....	34.50
Loew's London c.	.40	1.00
Loew's London 7% pfd.	3.00	4.00
Massey-Harris 5% pfd.	11.50	13.00
Mount Royal Hotel com.	.20	....
Mount Royal Hotel 6% pfd.	3.00	5.00
Nat. Grocers c.	.50	1.10
Nat. Grocers 7% 2nd pfd.	40.50	45.00
National Sewer Pipe c.	5.25	....
Neilson, Wm., c.	4.25	....
Paramount Kitchener pfd.	26.75	
Paramount Oshawa com.	4.25	....
Paramount Oshawa pfd.	29.00	....
Provincial Paper 7% pfd.	30.00	35.00
Reliance Grain 6½% pfd.	43.25	....
Rolland Paper 6% pfd. W.W.	27.50	....
Standard Clay Products c.	....	13.25
Standard Fuel 6½% pfd. bonus	57.25	....
Ind. Stock cont'd.		
Supersilk pf. bonus	24.25	....
Supertest Petroleum "B"	17.25	20.00
Toronto Elevators 7% pfd.	73.00	75.00
Western Grain 6½% pfd. bonus	15.00	20.00
Willards Choc. pf.	....	19.00
Insurance Stocks:		
Br. Amer. Assce.	30.50	40.00
Canada Life Ass.	395.00	420.00
Can. Fire Ins.	50.00	60.00
Confederation Life 20% pd.	124.00	135.00
Continental Life 20% pd.	40.00	50.00
Crown Life Ins.	85.00	110.00
Dom. Fire Ins.	80.00	....
Dom. Life 50% pd.	....	255.00
Dom. of Can. Gen. Ins.	98.00	115.00
Empire Life 25% pd.	7.00	....
Excelsior Life 30% pd.	80.50	90.00
Fidelity Ins. of Can.	....	69.00
Great West Life Assce.	235.00	250.00
Guarantee Co. of N. A.	241.00	....
Halifax Fire Ins.	9.75	10.75
Imperial Life	246.00	256.00
Mfrs. Life Ins.	250.00	265.00
Monarch Life 10% pd.	17.25	....
Nat. Life 25% pd.	61.00	70.00
Saskatchewan Life 10% pd.	8.00	12.50
Sovereign Life 25% pd.	18.00	....
Sun Life Assur.	315.00	340.00
Western Assurance c.	14.25	....
Western Life 20% pd.	7.25	....
Trust & Loan Stocks:		
Can. Amer. Trust Shares	2.25	3.00
Can. Gen. Invest. Ltd.	3.00	3.25
Chartered Trust	....	69.00
Deb. & Sec. 5% pfd.	10.50	20.00
Eastern Can. Sav. & Loan	104.00	109.00
Eastern Trust	140.00	150.00
Guelph & Ont. Inv. par $50	44.00	55.00
Investment Foundation Units	19.50	....
Lambton Loan & Savings	50.00	58.00
London & Western Trust	....	79.00
Mtge. Disc. pfd.	2.25	3.00
Premier Trust	65.00	....
Provincial Bank	92.00	99.00
Security Loan & Savings	97.50	104.00
Sherbrooke Trust	100.00	112.00
Sterling Trust	51.00	57.50
Traders Fin. c.	....	.65
Traders Finance 7% "A" pfd.	18.75	22.00
Trusts & Guar.	35.50	....
Victoria Trust & Savings	140.50	160.00
Waterloo Trust & Savings	100.50	115.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	88.00	90.50
Calgary Pwr. 6% pfd.	62.00	....
Can. Light & Pwr. com.	13.00	18.00
Can. West. Nat. Gas LH&P c.	20.50	....
Can. West. Nat. Gas LH&P pfd.	67.00	70.50
Great Lakes Power 7% pfd.	....	64.00
Maritime Tel. & Tel. com.	7.75	9.25
Maritime Tel. & Tel. 7% pfd.	9.75	11.25
N.B. Tel. c.	6.50	7.50
N.S. L&P 6% pfd.	71.00	80.00

Recent London Quotations:	
Brewers & Distillers	3s. 3d.
Can. & For. sec.	3s. 9d.
Can. West Lumber	1s.
Hudson's Bay	18s. 9d.
Do., 5% pref.	70s.
Internat. Holdings	$1½.
Nfld. Pr. & Pap. deb. stock "B"	88
Trust & Loan of Can.	1s.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)

February 21, 1933

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	17.00	18.50
Acadia Sugar 6% 1946	85.00	87.50
Alta. Pac. Grain 6% 1946	74.00	77.00
American Sales Book 6% 1939	105.00	....
Arnold Bros. 6% 1947	25.00	35.00
B. A. Oil 5% 1945	87.50	89.50
Can. Biscuit 6½% 1946	23.00	27.50
Can. Bread 6% 1941	83.00	85.00
Can. Cement 5½% 1947	67.00	70.00
Can. Steamship 6% 1941	16.00	17.50
Can. Bakeries 6½% 1945	50.00	60.00
Can. Canners 6% 1950	74.50	78.00
Can. Copper Refin. 6% 1945	103.00	....
Can. Cottons 5% 1940	82.00	85.00
Can. Vickers 6% 1947	61.00	64.00
Cons. Invest. 4½% 1959	24.00	27.00
Cosmos Imp. Mills 6½% 1944	82.50	....
Davies, Wm. 6% 1942	86.00	90.00
Debenture & Sec. 4% 1936	53.00	56.00
Dom. Manufacturers 6% 1933	95.00	....
Dom. Tar & Chemical 6% 1949	56.00	59.00
Dom. Telegraph 5½% 1978 "A"	86.00	87.50
Dom. Textile 6% 1949	98.00	100.00
Dom. Woollens 6% 1948	11.00	14.00
Donnacona Paper 5½% 1948	15.00	18.00
Eaton Realty 5% 1949	78.00	80.00
Famous Players 6% 1948	....	60.00
Famous Players 6½% 1948	....	40.00
Federal Grain 6% 1949	74.00	77.00
Fraser Cos. 6% 1932	10.00	....
Fraser Cos. 6% 1950	10.00	....
Galt Brass 7½% 1941	....	30.00
Goodyear Cotton 6% 1949	98.50	....
Great Lakes Paper 6% 1950	18.00	20.00
Gypsum, Lime & Alab. 5½% 1948	....	37.00
Harris Abattoir 6% 1947	87.00	90.00
Howard Smith 5½% 1953	55.50	....
Loew's Toronto 6% Serial	99.00	....
London Realty 6½% 1950	34.00	38.00
Maple Leaf Milling 5½% 1949	34.00	40.00
Massey-Harris 5% 1947	52.00	56.00
McColl-Frontenac 6% 1949	84.00	86.00
McKinnon Industries 6½% 1945	98.50	....
Mercury Mills 5½% 1953	....	40.00
Metropolitan Bldg. 7% 1944	88.00	....
Nor. Ont. Bldg. 6½% 1939	61.00	65.00
Price Bros. 6% 1943	30.00	33.00
Richmond Bay 6½% 1947	63.00	67.00
Rolland Paper 5½% 1948	76.00	....
Simpson's Ltd. 5½% 1949	40.00	45.00
Simpson's Ltd. 6% 1949	44.00	49.00
Steel of Canada 6% 1940	103.00	106.00
Toronto Carpet 6% 1944	75.00	80.00
United Gas & Fuel 5½% 1948	53.00	56.00
United Grain Growers 5% 1948	75.00	77.00
United Grain Growers 5½% 1949	76.00	79.00
Western Grain 6% 1949	59.00	63.00
Public Utility Bonds:		
Bell Telephone 5% 1955	110.00	112.00
Bell Telephone 5% 1957	110.00	112.00
B. C. Power 5½% 1960	80.50	83.00
B. C. Telephone 5% 1960	89.00	91.00
Calgary Power 5% 1960	72.50	75.00
Can. Northern Pwr. 5% 1953	76.00	80.00
Duke Price Pwr. 6% 1966	58.00	63.00
Elect. Develop. 5% 1933	117.00	120.00
French Natl. Mail SS 6% 1952	122.00	125.00
Gatineau Pwr. 6% 1941 "A"	55.00	57.00
Gatineau Pwr. 5% 1956	77.25	78.50
Maclaren Quebec 5½% 1961	75.00	76.50
Manitoba Power 5½% 1951	47.00	50.00
Montreal Isl. Pwr. 5½% 1957	101.50	105.00
Montreal LH&P 5% 1951	104.50	107.00
Montreal LH&P 5% 1970	103.00	105.50
Montreal Tram. 5% 1941 July	98.00	100.00
Montreal Tram. 5% 1955	74.00	76.00
Northwest. Utilities 7% 1938	91.50	95.00
Ottawa Valley Pwr. 5½% 1970	98.00	100.00
Quebec Power 5% 1968	89.00	92.00
Rio Tramways 5% 1935	93.00	....
Shawinigan W&P 4½% 1970	64.50	68.00
Shawinigan W&P 5% 1970	74.00	78.00
Shawinigan W&P 6% 1937	88.00	91.00
Southern Can. Pwr. 5% 1955	96.00	97.00
West Kootenay Pwr. 5% 1956	91.00	93.00
Government, Provincial & Railway Bonds:		
C.N.R. 4½% 1951 Dom. Gtd.	98.50	99.50
C.N.R. 4½% 1957 Dom. Gtd.	98.50	99.25
C.N.R. 5% 1969 Dom. Gtd.	103.50	104.25
C.P.R. 4½% 1944	74.00	76.00
C.P.R. 5% 1954	84.00	88.00
Dom. of Can. 5% 1936	102.00	103.00
Dom. of Can. 5% 1941	102.50	103.50
G.T.P. 3% 1962 Dom. Gtd.	80.00	81.00
G.T.P. 4% 1962 Dom. Gtd.	92.50	93.50
Ont. Hydro 3½%, 4%, 5%, 1952 Ont. Gtd.	90.00	91.00
Ont. Hydro 4½% 1970 Ont. Gtd.	99.00	100.00
Ont. Hydro 4% 1957 Ont. Gtd.	91.00	93.00
Prov. of N. B. 5½% 1950	101.50	103.00
Prov. of Ont. 4½% 1944	100.50	103.00
Prov. of Ont. 5% 1948	102.00	103.00
Prov. of Ont. 5½% 1947	106.50	107.50

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass, pref.	7%	1¾%	Apr. 1	Mar. 15
Burt, F. N.	$2	50c	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 1	Mar. 15
Brit. Amer. Oil (No. 12)	80c	20c	Apr. 1	Mar. 18
Bk. of Nova Scotia	$14	$3.50	Apr. 1	Mar. 16
Bk. Can. Nationale	$10	$2.50	Mar. 1	Feb. 15
Bank of Montreal	10%	2½%	Mar. 1	Jan. 31
Bank of Toronto	10%	2½%	Mar. 1	Feb. 15
Belding Corticelli, pfd.	7%	1¾%	Mar. 15	Feb. 28
Borden Co., com.	$1.60	40c	Mar. 1	Feb. 15
Canada Vinegars	$1.60	40c	Mar. 1	Feb. 15
Can. Bank of Commerce	10%	2½%	Mar. 1	Jan. 31
Capital Trust	4%	4%	Mar. 1	Dec. 31
Can. Hydro-Elec. 1st pfd.	6%	1½%	Mar. 1	Feb. 1
Canadian Oil, pref.	8%	2%	Apr. 1	Mar. 20
Canadian Car, pref.	$1.75	44c	Apr. 10	Mar. 27
Can. Silk Products "A"	$1.50	37½c	Mar. 1	Feb. 15
Consolidated Smelters	10%	stk.	Mar. 1	Jan. 12
Canada Starch, pfd.	$7	$3.50	Jan. 15	Dec. 31
Canada South. Rly. c.	$3	$1.50	Feb. 1	Dec. 27
Dominion Textile	$4	$1	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 15	Mar. 31
Dominion Bank	$10	$2.50	Apr. 1	Mar. 20
Dominion Bridge	$2	50c	May 15	Apr. 29
Dominion Stores	$1.20	30c	Apr. 1	Mar. 15
Dome Mines	$1	25c	Apr. 20	Mar. 31
Do., extra	...	20c	Apr. 20	Mar. 31
Eastern Theatres c.	$2	50c	Mar. 1	Jan. 31
Hollinger Gold	65c	5c	Feb. 25	Feb. 10
Imperial Oil (coupon 36)	50c	12½c	Mar. 1	Feb. 14
International Milling, pfd.	7%	1¾%	Mar. 1	Feb. 18
Do., pref., "A"	6%	1½%	Mar. 1	Feb. 18
Imperial Tobacco, c.	35c	8¾c	Mar. 31	Mar. 1
Do., final	...	17½c	Mar. 31	Mar. 1
Do., pref.	6%	3%	Mar. 31	Mar. 1
Inter. Petroleum (No. 36)	$1	25c	Mar. 15	Feb. 28
Do., pref.	$1	25c	Mar. 15	Feb. 28
Inter. Proprietaries "A"	$2.60	65c	Mar. 15	Feb. 25
Do., extra	...	5c	Mar. 15	Feb. 25
Laura Secord, com.	$3	75c	Mar. 1	Feb. 15
Loblaw Groc. "A" & "B"	80c	20c	Mar. 1	Feb. 11
Lindsay, C. W., pref.	6½%	1⅝%	Mar. 1	Feb. 14
Lake Shore Mines	$2	50c	Mar. 15	Mar. 1
McIntyre Mines	$1	25c	Mar. 1	Feb. 1
Do., extra	50c	12½c	Mar. 1	Feb. 1
McColl-Frontenac, com.	60c	15c	Mar. 15	Feb. 15
Montreal Loan & Mortgage	12%	3%	Mar. 15	Feb. 28
Do., Bonus	....	1%	Mar. 15	Feb. 28
Montreal Cottons, pref.	7%	1¾%	Mar. 15	Feb. 28
Nat. Sewer Pipe "A"	$2.40	60c	Mar. 15	Feb. 28
N.S. Light & Pr. pref.	$6	$1.50	Mar. 1	Feb. 15
National Biscuit	$2.80	70c	Apr. 15	Mar. 17
Do., pref.	$7	$1.75	Feb. 28	Feb. 14
Ogilvie Flour, pref.	7%	1¾%	Mar. 1	Feb. 20
Provincial Bank	$7	$1.75	Mar. 1	Feb. 15
Page-Hersey Tubes, c.	$3	75c	Apr. 1	Mar. 20
Do., pref.	7%	1¾%	Apr. 1	Mar. 20
Reliance Grain, pref.	6½%	1⅝%	Mar. 15	Feb. 28
Rolland Paper, pref.	$6	$1.50	Mar. 1	Feb. 15
Royal Bank	10%	2½%	Mar. 1	Jan. 31
Siscoe Gold Mines	12c	3c	Mar. 31	Mar. 10
Walker, Hiram, pref.	$1	25c	Mar. 15	Feb. 24

Dividends Passed or Deferred:
Canada Wire & Cable, pref. Mar. 15, deferred. Last paid 1⅝% Dec. 15, 1932.
Montreal Cottons, c. Mar. 15, passed. Last paid $1.50 Dec. 15, 1932.
National Sewer Pipe, com. Mar. 15, passed. Last paid 15c. Dec. 15, 1932.

Dividend Rate Reduced:
Capital Trust, Mar. 1, 5% to 4% per annum.
Borden Co., Mar. 1, $2 to $1.60 per annum.
Burt, F. N., com. Apr. 1, $2.40 to $2 per annum.
Dominion Textile, com. Apr. 1, $5 to $4 per annum.
Provincial Bank, Mar. 1, $8 to $7 per annum.

Extra Dividends:
McIntyre Mines, 12½c. Mar. 1. Dome Mines, 20c. April 20.
Imperial Tobacco, c. 17½c. final div., Mar. 31.
International Proprietaries, "A" 5c., Mar. 15.

Bond Interest:
Mexico Tramways, 5% 1st mtge. 50 yr. (coupon 40) Mar. 1.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

February 21, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Apr.	83.00	5.77
Alberta	5	1 July 1948	1 July	92.00	6.04
Alberta	6	1 Mar., 1947	1 Mar.	98.50	6.16
*British Columbia	4½	1 Oct., 1953	1 Apr.	84.00	5.83
*British Columbia	5	15 Jan., 1948	15 July	94.50	5.54
British Columbia	6	15 Feb., 1947	15 Aug.	99.00	6.10
Manitoba	4	1 July 1947	1 July	81.00	5.98
*Manitoba	5	2 Dec., 1959	2 June	92.00	5.58
Manitoba	6	1 Apr., 1947	1 Apr.	99.00	6.10
*New Brunswick	4	1 June 1948	1 June	91.85	4.75
*New Brunswick	4½	15 June 1936	15 June	100.00	4.75
New Brunswick	5½	1 May 1950	1 May	103.25	5.22
*Nova Scotia	4½	15 Nov., 1948	15 May	99.25	4.57
Nova Scotia	5	1 May 1943	1 May	102.50	4.75
*Ontario	4½	1 Sept., 1944	1 Mar.	102.00	4.28
Ontario	5	15 Oct., 1948	15 Apr.	103.25	4.71
Ontario	5½	1 Feb., 1947	1 Aug.	108.00	4.71
P. E. I.	4	1 Apr., 1939	1 Apr.	95.00	4.90
P. E. I.	6	1 May, 1947	1 May	110.00	5.02
*Quebec	4½	1 May, 1961	1 May	102.00	4.13
*Saskatchewan	4½	1 Sept., 1955	1 Mar.	81.00	6.05
Saskatchewan	5	1 Oct., 1950	1 Apr.	86.00	6.31
Saskatchewan	6	15 Mar., 1952	15 Mar.	93.00	6.65
*Newfoundland	5	31 Dec., 1952	30 June	72.00	7.78
*Newfoundland	5½	1 July, 1939	1 July	77.00	10.46
*Newfoundland	6½	30 June, 1936	30 June	82.00	13.07
Cities					
*Montreal	5	1 Sept., 1963	1 Mar.	105.65	4.65
*Toronto	4½	1 Jan., 1955	1 July	97.95	4.65
*Vancouver	5	15 Jan., 1970	15 July	85.20	6.00
Winnipeg	5	1 Mar., 1944	1 Mar.	92.05	6.00
*Edmonton	5½	1 Apr., 1947	1 Apr.	84.45	7.25
Calgary	5	1 Jan., 1943	1 July	82.60	7.50
Halifax	6	1 July, 1951	1 July	110.70	5.10
St. John	5	15 Dec., 1950	15 June	97.70	5.20
Regina	4½	1 July, 1950	1 July	72.98	7.25
Victoria	5	21 July, 1945	21 July	87.30	6.50
Quebec	5	1 June, 1948	1 June	102.00	4.81

* Payable in New York.

Listed Bond Quotations

Week Ending February 20

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Low
Montreal								
Abitibi, 1st mtg.§	5	1953	...	14	...	...	*46	19½
Asbestos	5	1942	...	21	...	...	*65½	49
Asbestos, 1st mtge.	6	1941	...	5½	...	...	*20	14
Do., gen. mtge.	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69¾	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	19⅝	19
Can. Pr. (Laur.)	5½	1958	...	†6	...	...	*7	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5
Can. S.S. Debs.	5	1943	...	...	...	...	*83½	...
Cedars Rapids	5	1953	...	...	...	...	108	108
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	37	...	...	*50	31
McNish	6	1948	...	1.05	...	...	1.50	1.00
Mex. L. & Pr.	5	1940	...	55	...	...	*73½	70
Mtl. L.H.&Pr. debs.	3	1939	...	42½	42⅝	42	43	39
Mont. Tr. 1st mtg.§	5	1941	5.38	97½	...	...	98½	97
Mont. Trams. "A"§	5	1955	7.16	...	76	...	77⅝	[illegible]
Do., G. & Ref. "B"	5	1955	7.08	...	...	...	*79⅞	[illegible]
Do., "C"	4½	1955	6.43	...	...	...	*77½	[illegible]
Do., "D"	5	1955	7.14	...	76½	...	77⅞	[illegible]
N.S. Steel	5	1959	...	†78	...	...	*62⅞	[illegible]
Ontario Steel	6	1943	5.94	80	...	...	*100½	[illegible]
Porto R. Pr.	5	1936	...	...	...	...	*93	[illegible]
Steel of Canada§	6	1940	...	102	...	...	*102¼	[illegible]
Wayagamack	6	1951	...	...	...	...	*75	[illegible]
Winnipeg Elec.§	5	1935	...	76½	...	...	*86	[illegible]
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	[illegible]
Steel of Canada§	6	1940	...	...	...	...	*102½	[illegible]
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	...	115.50	...	...	116.25	[illegible]
Victory Loan	5½	1933	4.41	100.50	...	...	100.75	[illegible]
Do.	5½	1934	4.18	101.75	...	...	102.50	[illegible]
Do.	5½	1937	3.25	109.25	...	...	110.25	[illegible]
Do., refund	4½	1940	4.50	100.00	...	...	101.25	[illegible]
Do., refund	5	1943	4.62	102.75	...	...	103.37	[illegible]
Do., refund	4½	1944	4.50	99.75	...	...	*97.50	[illegible]
Do., refund	4½	1946	4.47	99.75	...	...	*96.25	[illegible]
Do., renewal	4	1952	4.51	....	93.25	...	93.25	[illegible]
Conversion Loan	4½	1956	4.60	....	98.50	...	98.50	[illegible]
Do.	4½	1957	4.60	97.75	....	...	98.25	[illegible]
Do.	4½	1958	4.56	98.10	....	...	99.37	[illegible]
Do.	4½	1959	4.50	98.65	....	...	100.15	[illegible]
Nat. Service Loan	5	1936	4.17	102.00	103.00	...	103.25	[illegible]
Do.	5	1941	4.61	102.75	102.75	...	103.75	[illegible]

†Latest ask ‡Quotations for 1930. *For 1931. *For 1932. None recorded in 1933 to date. §Payable in Canada and New York.

Winnipeg Stock Exchange

(Transactions for week to Feb. 18)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Feb. 18
..	..	Arno	3,000	.04⅛	.04	[illegible]
..	..	Assoc. Breweries, c.	85	4	4	[illegible]
..	..	Bobjo	500	.13½	.13½	[illegible]
..	..	Brazilian	10	8¼	8¼	[illegible]
..	..	Central Manitoba	8,650	.14	.13	[illegible]
..	..	Canam Metals	100	.03	.03	[illegible]
20	8.5	Great West Life	1	235	235	[illegible]
..	..	International Nickel	20	9.80	8.87	[illegible]
..	..	Moss Mines	200	.28	.28	[illegible]
..	..	San Antonio	267	1.05	.97	[illegible]
60c	13.2	Teck-Hughes	200	4.53	4.53	[illegible]
1.25	11.9	United Grain Growers	6	10½	10½	[illegible]
7	12.3	Western Grocers, pref.	5	57	57	[illegible]
..	..	Winnipeg Elec. pref.	10	8	8	[illegible]

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Lumb. Co.	..	60
Beaver Fire	..	100
City Dairy 8% pf.	..	40
Can. Fire Insur.	50	..
Cres. Cream. pfd.	..	55
Home Investment	22	..
Monarch Life 10% pd.	16	..
Nor. Mtg. part pd.	..	5
Pelissiers pref.	10	..
Nor. Can. Mtg. pf.	..	[illegible]
Northern Trust	..	[illegible]
Reliance Grain, pfd.	43	[illegible]
Western Breweries	[illegible]	[illegible]
West St. Prod. pf.	..	[illegible]
Can. Amer. Tr. shs.	..	[illegible]
Fundamental Ser. A	..	[illegible]
Fundamental Ser. B	..	[illegible]
Group Inc. shs.	3.00	[illegible]

*Stocks more active on other exchanges not included.

LONDON & WEST. EARNINGS DOWN; ASSETS HIGHER

Earned 4.4 p.c. on Capital Paid 6½ p.c. in Divds. Reserve Reduced

London & Western Trusts Co. report shows a drop in net earnings to $58,643 in 1932 from $121,573 in 1931, which is attributed to depressed conditions, particularly in western Canada. After providing for income taxes, 4.4 per cent was earned on average paid-up capital as compared with 9.2 per cent earned in 1931 and $25,000 was transferred from general reserve. Dividends amounting to 6½ per cent were paid during the year. Reserve fund was reduced to $400,015 from $856,020 during 1932 since $373,000 was taken to special investment reserve; $25,000 was required to reduce bonds in guaranteed account to market value and $33,005 was used to adjust unpaid liability on partially paid shares.

Total assets of the company increased to $44,137,450 from $43,639,052. Guaranteed funds at $2,767,648 show a $20,000 increase, while estates, trusts and agencies account is up to $39,344,129 from $38,771,478.

Investment of guaranteed funds is shown with $1,927,871 in mortgages, $445,757 in loans on stocks and bonds; $330,917 in bonds and debentures and $63,103 in cash. Classes of securities held are not specified.

In capital account, mortgages and agreements of sale are shown at $427,289, which compares with mortgages of $120,334 and agreements of sale at $440,250 shown in 1931. Loans on bonds, stocks and other collateral are down to $165,608 from $289,239. Real estate held for sale, less mortgages payable, is up to $688,839 from $284,803 and it is noted that certain real estate has been set aside under agreement to provide for contingent liability assumed on purchase of Standard Trusts Co. Advances to estates and trusts total $405,908. Office premises at London, Winnipeg and Saskatoon are carried at $220,000 against the 1931 figure of $360,000, which included Vancouver office. Western operations are being consolidated with closing of the Calgary and Saskatoon offices.

The number of fully paid shares of $100 par value has been increased to 12,137 from 11,186 and partly paid shares are reduced to 15 from 1,950. Record of the company since 1928 has been as follows:

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate† Earned per sh. $
1928 ...	500,000	86,958	8	17.3
1929 ...	999,475	102,033	9	13.4
1930 ...	1,174,210	81,206	9	7.0
1931 ...	1,181,020	108,372	8½	9.2
1932 ...	1,214,225	49,143	6½	4.4

†On average capital.
*After deducting expenses of management, taxes, etc. Also income tax reserve amounting to $9,500 in 1932; $13,200 in 1931; $10,759 in 1930, and $8,800 in 1929.

VICTORIA TRUST ASSETS SHOW GAIN

Earned 12.26 p.c. on Capital; More Debentures Are Issued

Net earnings of Victoria Trust & Savings Co. were $112,077 in 1932 as compared with $130,284 in 1931. After deduction of Federal taxes and depreciation on office premises the company earned 12.26 per cent on paid up capital of $810,000 as compared with 14.83 per cent in 1931 and continued dividends at the rate of 10 per cent. Total assets increased by $235,000 to $8,619,040 principally due to increase in the estates department to $756,447 from $558,398. Guaranteed investment receipts are up to $4,690,218 from $4,565,455 while deposits show some reduction at $1,424,348.

Investment reserve was increased by $25,000 to $85,000 while reserve fund remains at $800,000, practically equal to paid-up capital. Collections during the year are stated to be over 94 per cent of 1931 collections.

In guaranteed trust account, $5,674,552 is held in mortgages; $856,224 in Canadian municipal debentures; $70,331 in cash; $3,033 in provincial and government guaranteed bonds and $10,421 in loans on other securities. In capital account, mortgages are shown at $1,325,511 while loans on company's stock amount to $39,130; loans on other securities, $78,173; Canadian municipal bonds at $37,770 and foreign government bonds at $122,958. Holdings of farm property have been reduced to $37,686 from $40,712 and city property is up, to $71,612 from $57,784. Office premises are carried at $28,700 including the Cannington branch which is stated to have shown satisfactory progress.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned $
1928 ...	800,000	130,347	9+1	16.29
1929 ...	800,000	136,645	10	17.08
1930 ...	800,000	127,801	10	15.97
1931 ...	810,000	119,284	10	14.83
1932 ...	810,000	99,351	10	12.26

*Reserve for federal taxes and amount written off premises deducted.

EAST. CAN. SAVINGS HAS EARNED 11 P.C.

Halifax Company Adds to Reserves; Deposits Up; Debentures Down

Eastern Canada Savings & Loan Co., Halifax, N.S., had earnings of $109,460 in 1932 as compared with $119,789 in 1931, and, after provision for taxes and depreciation on real estate held, earned $11.04 per share in 1932 as against $13.23 in 1931. Dividends were paid as usual at the rate of 8 per cent and profit and loss account was increased by $22,841. Slightly more than this amount was taken from profit and loss account to strengthen reserves.

Total assets are $4,420,348. Deposits have increased to $490,756 from $465,654 while debentures outstanding are down to $2,731,904 from $2,849,448. With $750,000 of stock outstanding reserve fund has been reduced to $354,200 from $400,000 while reserve for depreciation on securities has been increased to $76,221 from $35,000 and contingent account remains at $7,000, bringing total reserves to $437,421.

Mortgages held are down to $3,903,258 from $4,074,069 while real estate held is up to $81,863 from $43,395. Cash is somewhat lower at $37,026 while bonds and stocks at Dominion Government valuations are shown at $265,369 which compares with similar securities shown at cost of $292,950 in 1931.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned $
1928 ...	750,000	83,542	8	11.13
1929 ...	750,000	88,814	8	11.17
1930 ...	750,000	86,000	8	11.46
1931 ...	750,000	99,295	8	13.23
1932 ...	750,000	82,841	8	11.04

*Less taxes and depreciation on office buildings, etc.

Newsprint Production Now Down to 1922 Level

From Our Own Correspondent

MONTREAL. — Canadian newsprint production last month at 140,539 tons was the lowest reported for any January since 1926. Returns prepared by the News Print Service Bureau indicate the decline in consumption has not been arrested and that over the next few months it is to be expected that production figures will continue to be on a lower scale than reported in the past six or seven years.

Compared with January, 1931, Canadian mills produced 27,095 tons less in the same month this year—a decrease of 16 per cent. Shipments totalled 133,056 tons, an amount also under the average prevailing for January since 1926.

U. S. Mills Dragging

American mills did not fare any better than those in Canada, production across the line amounting to 74,444 tons last month. This is a lower figure than that recorded for any corresponding month in more than 15 years. Compared with January last year, American mill production declined 21 per cent. Shipments from American plants followed the trend of production, amounting to 72,725 tons.

Lowest Price Since 1922

Combined newsprint production in Canada and the United States last month was 214,983 tons. This is the lowest figure reported for any January since 1922.

During January, 1932, 22,207 tons of newsprint were made in Newfoundland, 1,784 tons or 7 per cent less than in the same month last year. Mexican production equalled 1,408 tons, or 153 tons more than in January, 1931.

Stocks of newsprint at Canadian mills are figured at 49,837 tons at the end of January and at United States mills 23,502 tons, making a combined total of 73,339 tons. This compares with 64,137 tons on December 31, 1932.

DETROIT BRIDGE REVENUE LOWER; TAXES UNPAID

Expenses Cut to Minimum But Operating Loss is Shown

Earnings of Detroit International Bridge Co. declined further during 1932 and despite a reduction of some 36 per cent in operating costs the company ended the year with an operating loss of $65,021 before provision for depreciation or interest on the $11,978,000 of 6½ per cent first mortgage bonds and the $8,000,000 of seven per cent debentures. Net loss for 1932 was $420,370. Vehicular traffic showed reduction of 23.2 per cent under the 1931 total which in turn was 35.8 per cent under the 1930 total. Traffic in 1932 was 50.7 per cent below that of 1930 the first full year of operation. Revenue from all sources in 1932 showed a decline of 64.9 per cent from the 1930 revenue. Greater decline in revenue is due to lower toll charges placed in effect to meet competition.

Taxes continue to show some increase and the company is trying to secure a revision of taxation. Operating expenses have been reduced to an absolute minimum and cannot be further reduced in the directors' opinion. The income account of the company is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1932 $	1931 $	1930 $
Gross oper. rev.	320,661	505,701	892,043
Less:			
Oper. exp. ...	131,389	205,328	328,833
Taxes	258,717	247,455	195,052
Net oper. rev. ..	*69,445	52,918	368,158
Add: Other inc.	4,424	3,020	27,061
Net income† ..	*65,021	55,930	395,219

†Before interest, depreciation, etc.
*Loss

Working capital has been further impaired although cash on hand is up to $147,647 from $95,763. In current liabilities accrued current and past due taxes and penalties are up to $307,230 from $195,912. No provision is made for arrears of interest on funded debt which has been accruing since the company defaulted on debenture coupons due February 1, 1931, and first mortgage bond interest due August 1, 1931. Working capital position is as follows:

Working Capital at Dec. 31

	1932 $	1931 $
Current assets	151,702	98,562
Current liabilities ...	313,833	201,833
Working capital	*162,131	102,771

*Excess of current assets over current liabilities.

Deferred charges are down to $1,614,964 from $1,747,524. Bridge structure and equipment is valued at $14,161,520 subject to provision for depreciation which has been increased to $742,995 from $505,556. Land is shown at $2,718,215 and franchises, rights, etc., at $1,840,078. Funded debt and capital stock remains unchanged and after deducting deficit of $2,064,183 from capital there remains an excess of $558,883 of liabilities over assets.

MERCURY MILLS BANK LOAN PAID LOSS IS REDUCED

Takes Heavy Write-off on Inventory; Costs Are Cut

Mercury Mills Ltd., is shown with a reduced operating loss for 1932 of $39,157 which compares with operating loss of $123,302 in 1931 and $125,583 in 1930. After absorbing all charges including a loss of $153,016 on inventory revaluation the final result for the year was a loss of $380,631 which compares with a loss of $508,085 in 1931. While working capital is lower, bank loans have been paid off and ratio of current assets to current liabilities has increased. Inventories have been reduced by 35 per cent.

The drastic economies effected in operations are expected to be reflected in 1933. Operations of the Listowel plant show indications that this branch will not be a burden in 1933.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1932 $	1931 $
Operating loss	39,157	123,302
Add: Depreciation ...	90,305	96,240
Bond interest	73,154	77,633
	202,616	297,175
Add: Inventory adjust.	153,016	176,594
Moving machinery .	....	24,317
Loss on investments	....	10,000
Adjusting contracts .	25,000	....
Net loss	380,632	508,086
Add: Divd. paid on P-K Mills pfd. stock	1,596	1,824
Deduct: Prev. surp...	*220,254	224,711
Transfer from contingent res.	50,000	....
Disc. on bonds redeemed	36,977	....
Inc. tax adjust. ...	....	2,217
Deficit	74,996	282,982

*After giving effect to reduction in value of no par shares from $1,403,325 to $900,000.

Current assets include cash of $41,982; accounts and bills receivable of $65,576 and inventories of $691,906 which are down from $1,059,482 shown in 1931. The company has taken up the cash surrender value of life insurance and has retired bank loans which amounted to $331,243 at the end of 1931.

Working Capital at Dec. 31

	1932 $	1931 $
Current assets	799,464	1,400,938
Current liabilities ...	184,826	526,046
Working capital	614,638	874,892

Land, buildings, machinery and equipment are carried at $2,543,099 after deducting depreciation reserve of $877,341. The amount of first mortgage bonds outstanding has been reduced to $1,335,000 from $1,381,582 a reduction of $46,582 although the profit and loss account shows a difference of $36,977 between par value and purchase price of bonds redeemed for sinking fund. There remains outstanding $1,000,000 of 6 per cent preferred while the 45,000 shares of no par common are carried at $900,000 the stated value having been reduced from $1,403,325 during 1932

Mining Stock Quotations

Week Ending February 20

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close Feb. 13 (or last)	High for week	Low for week	Close Feb. 20
1	.05	.02	Abana	3,000	.05	.05	.03	.05
1	.01½	.00¾	Aconda	15,000	.01	.01½	.00¾	.01½
No	*.15	.15	Aldermac	......	.15	.....	.....	.....
1	.03½	.01	Alexandria	51,600	.02½	.03	.02½	.03
No	.05½	.03	Algoma	94,000	.03½	.04½	.03½	.03½
1	.01	.00½	Algonquin	5,500	.00½	.00¾	.00½	.00¾
1	.01½	.00½	Amity C.	10,000	.00½	.01½	.00½	.01½
No	.25½	.10	Amulet	7,456	.17	.17½	.15	.15½
1	.01	.00½	Apex	18,500	.00½	.00½	.00½	.00½
1	.03½	.02	Area	3,500	.02½	.02½	.02½	.02½
No	.04½	.01½	Arno	495,200	.04	.04½	.03½	.04
1	1.36	.74	Ashley Gold	10,680	1.30	1.34	1.15	1.24
1	.14	.02½	Bagamac	90,850	.11½	.13	.09	.10
1	.03	.01	Baldwin	6,000	.01½	.01½	.01½	.01½
1	.20	.10½	Barry Hollinger	49,750	.17	.17	.13	.13½
No	1.00	.75	Base Metals	300	.90	.90	.85	.85
.	.98	.98	Beattie	200	.....	.98	.98	.98
1	.21	.08	Big Missouri	24,062	.18	.18	.10	.16½
1	.18	.08½	Bobjo	58,357	.14	.14½	.11½	.13
1	.25	.15	Brett Trethewey	15,800	.21	.20½	.15	.20
1	.03½	.01½	Brownlee	45,600	.03½	.03½	.03	.03½
1	.01	.00¾	Buckingham	6,500	.00½	.01	.00¾	.01
No	.04½	.02½	Buffalo Can.	11,100	.04	.04	.03½	.03¾
No	.02½	.01½	Bunker Hill	2,700	.02	.02	.02	.02
5s	.60	.60	B'Wana McKubwa	......	.60	.....	.....	.....
No	.04	.04	Canam Metals	100	.....	.04	.04	.04
No	.12½	.03	Can. Kirkland	30,009	.10	.10½	.08½	.09
1	.01	.00½	Capital Rouyn	18,000	.00¾	.01	.00¾	.00¾
1	.03½	.01½	Cartier Malartic	5,400	.02	.02½	.02	.02
1	.25	.16	Castle Trethewey	19,400	.22	.25	.20½	.25
1	.15	.06	Cen. Manitoba	27,100	.14½	.14½	.11	.11½
1	.28	.17	Cen. Patricia	68,075	.26½	.26½	.24½	.25½
No	.11	.03	Chibougamau Pros.	55,300	.09	.10½	.07½	.09
No	.02½	.00½	Clericy	29,000	.01½	.01½	.01½	.01½
5	3.00	1.65	Coast Copper	460	2.50	2.40	2.05	2.05
1	.01½	.00½	Cobalt Contact	12,500	.01½	.01½	.01½	.01½
1	.11	.07	Columario	10,600	.10	.10½	.09	.09
5	1.05	.75	Coniagas	......	.75	.....	.....	.....
No	.45	.25	Coniaurum	11,544	.38	.41	.30½	.38½
25	68.00	57.50	Cons. Smelters	2,000	64.00	64.00	58.00	60.00
No	18.50	13.60	Dome Mines	7,416	17.40	18.00	16.75	17.20
No	.05½	.04	Dom. Explorers	12,093	.05	.05	.04½	.04½
1	.01	.00¾	Dominion Kirk	......	.01	.....	.....	.....
1	.04	.02	Don Rouyn	8,300	.03½	.04	.03½	.03½
.	.04½	.02	Duparquet	34,000	.03½	.04½	.03½	.04
1	1.61	1.34	Eldorado	30,840	1.51	1.57	1.41	1.57
No	2.42	1.80	Falconbridge	14,695	2.37	2.40	2.10	2.35
1	.02½	.01	Federal	4,000	.02½	.02½	.02	.02
No	.02½	.01½	Flintoba	......	.02½	.....	.....	.....
No	.02½	.01	Gilbec	70,000	.02½	.02½	.01½	.02½
1	.07	.04	Goldale	22,100	.06½	.07	.06	.07
10	.15	.10	Goldfield	600	.15	.10	.10	.10
1	.00½	.00½	Gold Hill	47,600	.00½	.01	.00½	.00½
.	.01½	.01½	Gold Reef	......	.01½	.....	.....	.....
1	.04½	.02	Goodfish	4,000	.03½	.04	.03½	.03½
1	.03½	.01½	Graham	2,000	.01½	.02	.01½	.01½
1	1.95	1.19	Granada	57,855	1.81	1.82	1.62	1.69
1	.08	.06	Groselle	1,000	.07	.07	.07	.07
1	.25½	.25	Halcrow Swayze	5,000	.....	.25½	.25	.25½
1	.03½	.02	Harker	6,000	.03	.03	.02½	.02½
1	.01½	.00½	Hilltop	32,000	.01½	.01½	.01½	.01½
5	8.75	6.00	Hollinger	30,413	7.90	8.00	7.20	7.90
1	.95	.65	Howey Gold	69,580	.82½	.88	.74½	.78
No	4.25	3.10	Hudson Bay	2,635	3.75	3.95	3.55	3.70
No	.35	.25	Huronian	1,040	.30	.35	.32½	.32½
No	10.37	8.62	Int. Nickel	42,735	9.75	9.75	8.62	9.12
1	.02	.00½	Jackson Manion	15,500	.02	.02	.01½	.02
1	.25	.20	Keeley	400	.22	.25	.22	.22½
1	.02	.01	Keora Mines	5,000	.01½	.01½	.01½	.01½
1	.76	.60	Kirk. Hud. Bay	5,200	.75	.75	.72	.72½
1	.02½	.00¾	Kirk. Hunton	8,000	.01½	.01½	.01½	.01½
1	.52	.30	Kirkland Lake	31,910	.44	.44	.37½	.39
1	.02½	.01½	Kirkland Premier	65,000	.01½	.02½	.01½	.01½
1	.22½	.13½	Kirk. Townsite	15,800	.15½	.17	.13½	.15
20c	.01½	.00½	Koot. Florence	1,500	.00½	.01	.00½	.00½
1	*.01½	.01½	La Rose	......	.01½	.....	.....	.....
1	.35	.18	Lakeland	1,700	.27	.35	.25	.33
1	.18	.08	Lake Maron	7,700	.16	.17	.15½	.17
1	40.00	32.50	Lake Shore	9,470	39.00	39.50	37.75	38.60
1	.05½	.02½	Lebel Oro	89,000	.04½	.05½	.04	.04½
1	.36½	.20	Macassa	229,405	.35	.36½	.32	.33½
1	.08	.05	Malartic	21,600	.07½	.08	.07	.08
1	.02½	.01½	Malrobic	10,500	.01½	.01½	.01½	.01½
No	.05	.03½	Mandy	1,000	.04½	.03½	.03½	.03½
No	.03	.01½	Manitoba Basin	66,300	.02	.02	.01½	.02
5	27.60	21.20	McIntyre	15,985	26.75	27.25	25.25	25.25
1	.50	.30	McKinley	......	.50	.....	.....	.....
No	.08	.02½	McLeod River	363,300	.07½	.08	.05½	.06
1	.05½	.03	McMillan	4,500	.03	.05½	.04½	.05
No	.75	.46	McWatters	13,250	.67	.69	.61	.63
1	.32	.15	McVittie	14,600	.28	.29	.24	.25
No	1.80	1.28	Mining Corp.	5,670	1.65	1.70	1.50	1.57
1	.03	.01½	Moffatt Hall	37,000	.02½	.02½	.02½	.02½
1	.06½	.02	Moneta	2,000	.05½	.05½	.05½	.05½
1	.40	.22	Moss	92,890	.28	.28	.22	.25
1	.02½	.00½	Murphy	23,600	.01½	.01½	.01½	.01½
No	.05	.03	Newbec	12,200	.04	.05	.03½	.04
1	.06	.01½	Night Hawk Penn.	22,100	.04½	.05½	.04½	.05
1	1.95	1.15	Nipissing	8,319	1.70	1.80	1.50	1.65
No	25.50	19.75	Noranda	31,226	25.10	25.35	23.50	24.10
No	.52	.32½	Nor. Canada	8,700	.48	.48	.40	.40
No	.02½	.01	Old Colony	52,500	.02½	.02½	.01½	.01½
1	.14	.05	Osisko	12,580	.08	.14	.07	.11
1	.18½	.11	Parkhill	19,100	.16	.16½	.15	.16
1	.03½	.01½	Pawnee Kirk.	11,900	.03	.03	.02	.03
1	.75	.54	Pend Oreille	1,800	.61	.60	.60	.60
1	.01½	.00½	Peterson Cobalt	5,000	.01	.01½	.01½	.01½
1	5.95	4.30	Pioneer Gold B. C.	29,259	5.65	5.95	5.30	5.75
1	.01½	.01	Porcupine Crown	23,800	.....	.01½	.01	.01½
1	*.02	.00½	Potter Doal	......	.00½	.....	.....	.....
1	*.12	.12	Powell Rouyn	......	.12	.....	.....	.....
1	.82	.60	Premier Gold	32,750	.73	.74½	.67	.71
1	.02½	.01	Preston E. Dome	23,200	.01½	.01½	.01½	.01½
No	.95	.75	Prospectors Air's.	500	.85	.93	.80	.80
No	*1.00	1.00	Quebec Pros.	......	1.00	.....	.....	.....
No	.15	.08	Quemont	400	.12	.10	.10	.10
1	.02½	.00½	Ribago	39,500	.01	.01½	.01	.01
1	.03	.01½	Ritchie	26,200	.02½	.02½	.01½	.01½
1	.04	.01	Robb Montbray	55,050	.04	.04	.02	.03
1	1.21	.80	San Antonio	39,882	1.03	1.05	.89½	.97
1	.03	.03	Seven Troughs	......	.03	.....	.....	.....
1	.48	.33	Sherritt Gordon	12,925	.45	.43	.40	.42
1	1.77	1.25	Siscoe	167,568	1.68	1.70	1.44	1.60
1	.10½	.06	South Keora	16,300	.07½	.08	.06½	.07½
No	.06	.01½	Stadacona	367,650	.04½	.05	.04	.04½
1	.14	.07	St. Anthony	2,000	.10½	.10	.08	.08
1	.83	.60	Sudbury Basin	7,000	.75	.75	.70	.70
No	.03	.00½	Sudbury Contact	500	.02½	.02½	.02½	.02½
1	.01½	.00½	Sudbury Mines	5,000	.01	.01	.00½	.01
1	.38½	.20	Sullivan	122,180	.34	.38	.31½	.35
1	1.21	.73	Sylvanite	102,370	1.06	1.09	.98	.98
1	.03½	.01½	Tashota	44,100	.02½	.02½	.02	.02

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close Feb. 13 (or last)	High for week	Low for week	Close Feb. 20
..	.18½	.15½	Tashota Goldfield	......	.18½	.....	.....	.....
1	5.10	4.03	Teck Hughes	32,325	4.75	4.75	4.39	4.55
1	.10	.04½	Thom. Cadillac	3,000	.06	.07	.06	.07
1	.16½	.10	Towagmac	1,200	.16	.16½	.15	.16½
1	2.00	1.10	Treadwell	200	1.50	1.60	1.55	1.60
1	.08	.05	United Kirkland	5,000	.08	.08	.08	.08
No	.06½	.03	Vacuum Gas	36,000	.03½	.04	.03½	.03½
No	1.28	.80	Ventures	131,025	1.17	1.20	1.02	1.05
1	.21	.09	Vickers	20,400	.19	.20	.18	.20
1	.41½	.20	Vipond	45,100	.40	.41½	.35	.38
No	.60	.35	Waite Ackerman	......	.54	.....	.....	.....
1	.04½	.03½	White Lake	500	.04½	.03½	.03½	.03½
1	.08	.02	Wiltsey Coughlan	44,950	.08	.08	.06½	.07
1	.12	.07	Wood Kirkland	3,800	.10	.12	.09½	.12
No	5.05	3.73	Wright-Hargreaves	82,894	4.73	4.82	4.37	4.70
			OIL STOCKS					
No	.12	.09	Acme Gas & Oil	12,000	.10½	.11	.09	.09
1	.82	.67	Ajax	3,500	.68	.70	.67	.70
1	.10	.08	Alta. Pacific	......	.09	.....	.....	.....
1	*.03½	.02	Askalta	......	.03½	.....	.....	.....
No	.07	.04½	Associated	1,200	.06	.06	.05	.06
No	.02½	.01	Baltac	......	.02	.....	.....	.....
1	*.05	.02½	Brit. Dominion	......	.03½	.....	.....	.....
No	.35	.25	Calgary & Ed.	300	.35	.35	.30½	.30½
1	.05	.04	Calmont	800	.04	.04	.04	.04
1	.06	.04	Common. Pete	1,000	.04	.06	.05	.05
No	.20	.14	Dalhousie	500	.14	.15	.15	.15
No	.02	.02	Devenish	......	.02	.....	.....	.....
No	*.02	.00½	Dome Oil	......	.00½	.....	.....	.....
No	.06½	.06½	East Crest	100	.06½	.06	.06	.06
No	*.01½	.01	Fabyan Pete	......	.01½	.....	.....	.....
No	*.25	.05	Foothills	......	.15	.....	.....	.....
No	*.03½	.02	Freehold	......	.02	.....	.....	.....
1	*.02	.00½	Great West	......	.00½	.....	.....	.....
No	*.06½	.03	Hargal	......	.03	.....	.....	.....
No	*.65	.02	High Sarcee	......	.02	.....	.....	.....
No	.45	.30	Home	340	.40	.40	.40	.40
No	*.05	.01½	Homestead	......	.01½	.....	.....	.....
1	.20	.13	Homest'd O. & G.	4,300	.14½	.15	.13	.13
1	*.01	.00½	Illinois Alberta	......	.00½	.....	.....	.....
No	*.02½	.00½	Lethbridge	......	.00½	.....	.....	.....
No	*.10	.04	Lowery	......	.10	.....	.....	.....
No	*.02	.00½	Madison	......	.00½	.....	.....	.....
1	.21	.14	Mayland	400	.16	.21	.18	.21
No	*.04	.01½	McD. Segur Ex.	......	.01½	.....	.....	.....
1	*.04½	.01	McD. Segur N.	......	.01	.....	.....	.....
1	*.05	.18	McLeod	......	.18	.....	.....	.....
No	*.10½	.06½	Mercury	......	.07½	.....	.....	.....
No	.16	.14	Merland	1,000	.15	.15	.15	.15
No	*.15	.08½	Mill City Pete	......	.08½	.....	.....	.....
1	*.20	.12½	Model	......	.13	.....	.....	.....
1	*.05	.04	Monalta	......	.05	.....	.....	.....
1	*.07	.03	Moose Mountain	......	.03	.....	.....	.....
1	*.01	.01	New Federal	......	.01	.....	.....	.....
5	.20	.09	Nordon	3,050	.13	.13	.10	.11
1	.04	.02½	Oil Selections	15,500	.03½	.03½	.03½	.03½
No	.05	.02½	Okalta	......	.03	.....	.....	.....
No	.26	.20	Olga Gas & Oil	8,400	.24½	.25	.22	.25
No	.03½	.01½	Penn. Pete	4,000	.02½	.02½	.01½	.02
1	.17	.15	Petrol Oil & Gas	1,800	.17	.16	.15	.15
No	*.14	.08	Ranchmen's	......	.09	.....	.....	.....
1	*.01	.00½	Regent	......	.01	.....	.....	.....
No	*.02½	.01	Richfield	......	.01	.....	.....	.....
No	7.10	6.75	Royalite	10	7.00	7.00	7.00	7.00
1	.11	.08	Sarnia Oil	5,500	.09	.09½	.08	.09
1	*.03	.01	Signal Hill	......	.01	.....	.....	.....
No	.07	.04	South West Pete	600	.04	.07	.06	.07
1	*.30	.10	Spooner	......	.15	.....	.....	.....
No	.14	.13	Sterling Pacific	......	.14	.....	.....	.....
	.43½	.43	Trinidad Oil	......	.43½	.....	.....	.....
1	*.11	.07½	Turner Valley	......	.07½	.....	.....	.....
No	.08	.03	United	......	.03	.....	.....	.....
1	*.09½	.03	Vulcan	......	.03	.....	.....	.....
No	.01	.00½	Wainwell	......	.01	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transaction for Week to February 14)					
25c	*.00½	.00½	Bayview	......	.00½	.....	.....	.....
1	.60	.60	B. C. Silver	......	.60	.....	.....	.....
20c	.05½	.02½	Beaver Silver	20,800	.05½	.05½	.04	.04
25c	.03	.02½	Bluebird	......	.03	.....	.....	.....
No	1.95	1.38	Bralorne	11,426	1.88	1.95	1.81	1.84
1	.07	.05	Bridge River Cons.	17,000	.06½	.06½	.06½	.06½
1	2.85	2.00	Caribou Gold	17,400	2.20	2.50	2.25	2.40
No	7.50	5.60	Coast Breweries	185	6.25	6.25	6.00	6.00
25c	.00½	.00½	Cork Province	......	.00½	.....	.....	.....
1	.02½	.02½	Cotton Belt	......	.02½	.....	.....	.....
1	.01½	.01½	Dalhousie Mines	......	.01½	.....	.....	.....
1	.36	.30	George Copper	400	.35	.36	.35	.35
50c	*.02	.01	Geo. Enterprise	......	.01	.....	.....	.....
1	.03	.02½	Georgia River	24,500	.02½	.03	.02½	.02½
1	.16	.16	Golconda	......	.16	.....	.....	.....
50c	.04½	.03½	Grandview	3,000	.04½	.04½	.04	.04½
1	*.01	.00½	Independence	......	.00½	.....	.....	.....
1	*.01½	.01	Indian Mines	......	.01	.....	.....	.....
1	.10	.10	Inter. Coal	......	.10	.....	.....	.....
1	*.21	.21	Jack Waite	......	.21	.....	.....	.....
25c	*.00½	.00½	Kootenay King	......	.00½	.....	.....	.....
10c	.02	.01½	Lucky Jim	11,000	.02	.02	.01½	.01½
5c	.12	.04	Metaline Metals	......	.06	.....	.....	.....
1	*.03	.00½	Morton Woolsey	......	.00½	.....	.....	.....
50c	.02½	.01½	National Silver	25,000	.02½	.02½	.02½	.02½
50c	.06½	.02½	Noble Five	85,400	.06½	.06½	.05½	.06
50c	*.01	.00½	Oregon Copper	5,000	.00½	.01	.01	.01
1	5.80	4.30	Pioneer Gold	4,305	5.25	5.80	5.30	5.35
50c	.06½	.04½	Porter Idaho	12,000	.05½	.06½	.06½	.06½
No	.00½	.00½	Premier Border	1,000	.00½	.00½	.00½	.00½
No	.20	.15	Reeves McDonald	......	.20	.....	.....	.....
1	.77	.64	Reno Gold	34,870	.75	.75	.70½	.75
1	.02½	.02½	Rufus Argenta	5,000	.....	.02½	.02½	.02½
1	.03½	.03	Ruth Hope	1,000	.03	.03	.03	.03
1	*.05	.02	Silverado	......	.05	.....	.....	.....
25c	.03½	.01	Silver Crest	142,800	.02½	.03½	.02½	.03
50c	.01½	.01	Snowflake	......	.01½	.....	.....	.....
1	.25	.25	Sunloch	......	.25	.....	.....	.....
No	*.06	.05	Vanalta	......	.06	.....	.....	.....
20c	*.02½	.01	Wellington	......	.01	.....	.....	.....
1	.04	.03	Whitewater	......	.03½	.....	.....	.....

*Quotations for 1932. No sales recorded in 1933 to date.

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	12c.	....	Merland Oils†	2½c.	....
Coniagas‡	13½c.	....	Noranda	$1.10	....
Coniaurum†	5c.	....	Petrol Oil	2c.	....
Cons. Smelters*	10%	....	Premier	12c.	16.90
Dome Mines	$1+10c.	6.37	Pioneer, B.C.	24c.	....
Falconbridge	10c.	....	Royalite	$1.50	....
Hollinger	65c.+10c.	9.61	Siscoe	12c.	7.5
Howe Sound	40c.	....	Sterling Pac. Oil†	2½c.	....
Lake Shore	$2+$1	7.77	Sylvanite	4+1c.	....
McIntyre	$1.50	5.94	Teck Hughes	60c.	12.18
McLeod Oils‡	5c.	....	Wright-Har.	10+5c.	3.19

*Stock. ‡Interim. ††Initial.

NEWS FROM

Canada's Capitals

A week-by-week summary from Ottawa and the provincial capitals of legislative developments of interest to business.

Dominion Parliament

OTTAWA.—Highlights of the week in Dominion Parliament were:

Wednesday, Feb. 8: — The Commons debates, without decision, a resolution moved by F. H. Pickel, Conservative, of Brome-Missisquoi, expressing the view that the agricultural committee should be divided into two sections: (1) agricultural section; (2) wheat section. Underlying reason for resolution is that many eastern rural members believe this committee, at the instigation of western members, is entireyl concerned with wheat.

Senate:—The Poirier six hour day resolution defeated. Senate Railway Committee refuses to strike out part III—the Arbitral Tribunal—of the railway legislation.

Thursday, Feb. 9:—The debate on the Woodsworth Co-operative Commonwealth resolution continues with Conservatives and Liberals both severely critical of the new movement.

The Senate, after a brief session, adjourns until Tuesday.

Senate railway committee hears Senator Lynch-Staunton condemn the theory, "hands off" the Canadian National, on the ground it is a public owned railway and that Parliament must discharge its obligations.

Friday, Feb. 10:—Hon. Robert Weir, minister of agriculture, announces that the British government declines to remove the embargo on Canadian potatoes because of Colorado beetle infection. Hudson Bay railway vote of $967,500 is approved, bringing total cost of this undertaking to approximately $55,000,000.

Monday, Feb. 13—Hon. W. A. Gordon, minister of immigration, announced the government will not permit indiscriminate entry of new business executives from the United States to take the places of Canadian executives. Premier Bennett announced the government is not considering the setting up of a National Wheat Marketing Board. Hon. R. J. Manion announced that the railways have agreed to reduce the domestic freight rate on feed grain, westbound, in the four western provinces.

Tuesday, Feb. 14 — Laborites make annual attack on Defense estimates, being particularly opposed to the vote for cadet training.

Senate: Resolution calling for prison reform is moved by Senator John Lewis.

Wednesday, Feb. 15 — Mr. Bennett introduces a bill extending bank charters one year.

Senate railway committee: Detailed consideration of the clauses of part three of the bill continued.

Thursday, Feb. 16 — Hon. E. B. Ryckman introduces amendment to Customs Act, tightening up the provisions with regard to smuggled goods. Hon. Alfred Duranleau, minister of marine, announces that the revised Canada Shipping Act will be introduced this year. A resolution repealing the 1930 statute banning export of liquor to countries where it is prohibited, is defeated.

Senate railway committee: — Railway legislation approved, without important amendment, and ordered reported back to Upper House.

Friday, Feb. 17.—Hon. Robert Weir, minister of agriculture, introduces bill providing for grading of hay and straw. Bill is given second reading and referred to Agricultural committee.

Ontario

TORONTO.—Ontario is ready to follow any lead of the Federal government in the matter of interest rates, it was brought out in the speech from the throne at the opening of the Ontario Legislature on Feb. 15. Premier Henry denied that Ontario would take the initiative through reduction of interest rates paid to depositors in the Provincial Savings Bank.

Feb. 16 — Discussion of the unemployment situation took up most of the session. Harry I. Price, West York, suggested that the Ontario Legislature should go on record as favoring unemployment insurance. Features of the Abitibi Power Development purchase were hinted at but final report will come from Premier Henry.

Feb. 17—House went into committee on the redistribution of provincial ridings.

Feb. 21. — Want of confidence amendments to the Throne Speech motion proposed by Liberal and Progressive leaders. Premier Henry attacked for association with Toronto Mortgage Corporation; asked to resign from directorate.

Manitoba

WINNIPEG.—The Bracken government will ask legislature during coming session of parliament to approve Dominion co-operation in dealing with the problems facing the farmer, owing to the tremendous decline in price of farm products, and the staggering burden of interest payments, according to speech from the throne on Feb. 14.

Feb. 15 — Many supporters were found for the proposal that interest rates must be cut. Discussion of throne speech took up session.

Feb. 16—Personnel of select standing committee announced. Co-operation of Conservative party with Bracken government was assured in speech by Col. Fawcett G. Taylor, K.C., Conservative leader. Report of Manitoba Rural Credit societies tabled by Hon. E. A. McPherson. Report shows debt of over $1,000,000 and over $80,000 in arrears of interest.

Feb. 17—John Queen, Independent Labor leader, moved an amendment on speech from throne. He attacked the policies of the government and called for a co-operative commonwealth. Premier Bracken replied. Hon. D. L. McLeod presented the annual report of the Manitoba Tax Commission. Net collections amounted to $5,317,000, a gain of $806,000 over 1931.

Saskatchewan

REGINA.—Saskatchewan's Provincial Legislature opened on Feb. 2, the speech from the throne and replies taking up the whole of Thursday and Friday. J. T. M. Anderson, Premier, tabled financial results of the previous fiscal year for the various government departments. Debt adjustment is the most important consideration before the Legislature.

Monday, Feb. 6—James G. Gardiner, leader of the Opposition, concluded his address in reply to the speech from the throne. He outlined the Liberal policy and called for the government to go to the people at the conclusion of the present session. Announcement of members of standing committees was made at the afternoon session.

Feb. 7—J. T. M. Anderson replied to criticism of Mr. Gardiner and outlined the work of his two departments, education and natural resources; he declared it was his conviction that coalition would be in the best interests of the province. C. A. Ayre, Liberal, opposed coalition but was willing to co-operate in debt adjustment.

Feb. 8—Discussion of debt adjustment continued. Sam Whatley explained policies of new Farmer-Labor party. Civil service salary cut ranging up to 15 per cent announced.

Feb. 9—H. K. Warren, Conservative, proposed moratorium on all farm debts. Reported in parliamentary circles that Charles McIntosh, Liberal, would make coalition motion.

Feb. 10—Clashes on tariff policy of Dominion Government took up most of day. Criticism of banks and trust companies on debts question indulged in.

Feb. 13—Motion in reply to speech from throne passed unanimously. Hon. J. A. Merkley told house that Saskatchewan was making every effort to secure fair and equitable marine insurance rates on Hudson's Bay route. General agreement that immediate action is needed on debt adjustment.

Feb. 14—Private members' day. Federal government asked to investigate rail, marine and insurance rates with a view to promoting Hudson's Bay route under resolution of George Spence, Liberal, passed unanimously. Debate on trade with Russia under private bill, adjourned. Five minor amendments to highways act, drainage act, etc., given third reading. Motion to peg farm prices was referred to special agricultural committee.

Feb. 15—Government and opposition agreed to co-operate on matters of debt adjustment and special committee for this purpose proposed. Committee will consist of 4 Conservatives, 4 Liberals and three members of other parties, the members to be selected by their parties

Feb. 16—House was taken up with debate on trade and tariff restriction palicies of federal government, led by C. M. Dunn, Liberal.

Alberta

EDMONTON.—The Alberta Legislature opened on Feb. 9. Hon. W. L. Walsh, lieutenant-governor, in the speech from the throne made reference to special needs in relief and debt adjustment and consolidation of tax arrears. Hon. George Hoadley introduced the first bill in absence of Premier Brownlee.

Feb. 10—Replies to speech from the throne touched on debt and tax problems. Chester A. Ronning, U. F. A. member, said Co-operative Commonwealth Federation had given the people a new hope, in seconding reply.

Feb. 13—W. R. Howson, Liberal leader, outlined party policy in debate on speech from throne. He called for economies and attacked government for expenses of past ten years. Mr. Howson would reduce outstanding debt and interest charges by a federal bank to finance provinces and municipalities.

Feb. 14—Non-confidence resolution of Liberals defeated 38-18, four labor members voting with government. Bill to govern operations of real estate agents ready to go to committee.

Feb. 15 — Debate on throne speech continued. Fred J. White, Labor, called for legislation to make home owners' and farmers' property more secure from confiscation for mortgage debts. D. M. Duggan, Conservative leader called for drastic action to relieve Alberta's monetary situation.

Feb. 16—Hon. George Hoadley, acting-premier, tabled annual report of the Workmen's Compensation Board. Accidents numbered 8,974 or 1,030 fewer than in 1931. Payrolls totalled $60,000,000 compared with $77,000,000 in 1931.

New Brunswick

SAINT JOHN.—New Brunswick's position with regard to the sale of beer and wine in hotels and a provincial income tax, two much discussed topics in that province during the past few months, was made clear in a statement issued by Premier C. D. Richards in which he declared emphatically that neither of these measures would be considered by the government at the coming session of provincial parliament.

GAINS REPORTED BY WOODS MFG. FOR PAST PERIOD

Earns $3.06 a Share on Preferred Against Loss in 1931

From Our Own Correspondent

MONTREAL. — An operating profit of $123,699 compared with a loss of $30,665 in the previous year is revealed in the financial statement of Woods Manufacturing Co. for 1932. After all charges, earnings were equal to $3.06 a share on the preferred stock against a loss of $171,267 in 1931 when $58,000 was written off inventories.

A feature of the report is reduction of goodwill account to $1 compared with $1,673,941 at the end of the previous year. This reflects proposals approved by shareholders early in 1932 when it was decided to convert the common shares into no par value and thereby reduce the stated value to an extent sufficient to write down goodwill to one dollar.

Following is a comparison of profit and loss for the past two years:

	1932 $	1931 $
Profits	123,690	*30,665
Depreciation	33,314	33,314
Bond interest	42,215	49,288
Income tax	1,414	......
Invent. write off	......	58,000
Surplus	46,756	†171,267
Prev. surplus	200,951	71,858
	247,347	†99,409
From rest	......	300,000
P. & L. bal.	247,347	200,591

*Loss for year. †Debit.

Working Capital

	1932 $	1931 $
Current assets	1,034,327	981,869
Current liabs.	187,048	178,537
Working capital	847,279	803,332

Among assets, inventories are higher by $72,000 at $758,199. It is stated that stocks on hand have been taken at cost or market, whichever was lower; it is interesting to note that inventories in 1929 were valued at $1,463,887. Reflecting the writing down of goodwill account to $1, total assets are lower by $1,638,360 at $4,088,467.

Bank Loans Reduced

In liabilities bank loans have been reduced by $6,000 to $13,000 and during the year there was redeemed $53,000 of 6 per cent first mortgage bonds, leaving $687,000 outstanding. Accounts payable are slightly higher at $163,533 and the 17,106 shares of no par common stock are carried at $86,659 compared with their former par value of $1,710,600. Surplus has been increased by $47,000 to $247,346.

Thomas Mitchell has been elected president and general manager to replace W. G. McMahon, former president, who died during 1932. The following directors and officers have been elected for the current year:

Directors: Thos. Mitchell, Harold Crabtree, Glyn Osler, K.C., James W. Pyke, Shirley E. Woods, G. Sackville Browne, W. A. Eden.

Officers: Thos. Mitchell, president and general manager, Harold Crabtree, vice-president; John T. F. Keene, secretary-treasurer; R. M. Stott, assistant general manager and assistant secretary-treasurer.

FREIGHT CARRIED BY CAN. AIRWAYS SHOWS INCREASE

Mileage Decline Reflects Cut in Air Mail Services

From Our Own Correspondent

MONTREAL. — Curtailment of government air mail contracts and increased activity in northern mining areas are reflected in operating statistics of Canadian Airways Ltd. for 1932 which show a sharp drop in mail carried but a wide gain in transportation of freight and express. The gain in the latter more than offset the drop in mail carryings and total bulk flown during the year was 2,169,202 pounds compared with 1,223,908 pounds in 1931.

Passengers carried on mail lines decreased but again this was offset by the gain in other lines and total number of passengers showed an increase of 900 at 8,963. Shorter hauls have been more prevalent for passenger miles flown was down 113,000 miles at 988,619 miles despite the gain in number of passengers carried.

Long Haul Services Cut

Elimination of the long haul mail routes such as the Winnipeg-Edmonton service find reflection in hours and mileage flown. Total mileage is down 538,000 miles at 1,294,207 miles and hours flown dropped 5,400 hours to 13,775 hours. In both cases the decline in mail offset gains in other business.

Extent of the drop in mail is seen in the fact that scheduled mail mileage was 298,922 miles against 1,336,248 miles in 1931. Lost mileage was 53,167 and percentage of efficiency dropped to 82.71 against 91.63 per cent in the preceding year.

Comparative Figures Shown

Following are comparative figures covering operations in the past two years:

	1932	1931
Mail, Freight & Express (Lbs.)		
Mail	299,066	459,459
Freight & express	1,870,136	764,449
Total	2,169,202	1,223,908
Passengers (Revenue Passengers Only)		
On mail lines	807	2,371
On other lines	8,156	5,676
Total	8,963	8,047
Passenger Miles		
On mail lines	98,622	496,245
On other lines	899,997	615,383
Total	998,619	1,111,628
Mail Efficiency		
Scheduled mileage ..	298,922	1,336,248
Productive mileage flown	245,755	1,224,440
Lost mileage	53,167	111,808
Percentage of efficiency	83	92
Pound Miles		
Mail	61,140,150	83,373,153
Freight & express .	220,401,058	90,522,553
Total	281,541,208	173,895,707
Mileage Flown		
Productive:		
Mail	245,756	1,224,440
Other	878,202	422,199
Total	1,123,958	1,646,639
Total:		
Mail	287,372	1,336,107
Other	1,006,835	496,667
Total	1,294,207	1,832,794
Hours Flown		
Productive:		
Mail	2,509	12,448
Other	9,409	4,660
Total	11,918	17,108
Total:		
Mail	2,937	13,618
Other	10,839	5,525
Total	13,776	19,143

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Canadian Mining News

W.-HARGREAVES NET $1,778,208 IN FISCAL YEAR

Earns 32 Cents Per Share —Production and Reserves Best Recorded

OUTLOOK BRIGHT

Mill Expansion to 1,000 Tons Daily Will be Ready by August, 1933

Annual report of Wright-Hargreaves Mines for the fiscal year ended Dec. 31, 1932, reveals the most prosperous year in the company's history with production at a new high level, net earnings 50 per cent in advance of 1931, a 50 per cent advance in ore reserves and the outlook for ore development on its lowest levels the most promising.

Net profits for the year under review were $1,778,203 as compared with $1,182,437 in 1931. This is equivalent to 32 cents per share on the 5,500,000 no par value shares outstanding as against dividend requirements of 20 cents.

The following tabulation gives comparative income and surplus account figures for the past two years:

Income and Surplus Account
Years ended December 31

	1932 $	1931 $
Bullion produced	3,546,903	2,912,309
Less oper. .exps.:		
Devel. & explor. ...	272,751	353,655
Stoping	612,646	543,861
Trans. & hoist. ore	250,982	233,192
Milling	321,024	310,506
Market. bullion	18,784	18,734
Gen. surface	29,707	16,091
Stock & trans chgs.	4,828	5,581
Taxes	193,939	95,000
Gen. & adm. exp. ..	174,262	149,721
Silicosis	33,111	......
Net oper. earn.	1,634,869	1,185,968
Add non-oper. inc..:		
Exchange	435,964	168,917
Interest	63,007	60,009
Rent, etc.	......	5,232
Disc. earned	3,220	4,178
Miscellaneous	576	760
Total net earn.	2,137,636	1,425,064
Less: Deprec.	176,303	64,831
Devel. w/o	183,130	177,796
Net profit	1,778,203	1,182,437
Less divid.	1,100,000	825,000
Surp. for year	678,203	357,437
Add: Prev. surp.	1,671,080	1,323,211
Less: Adj. inc. tax ..	9,822	9,568
Bal forward	2,339,461	1,671,080
*Deficit.		
Earn. per Share & Div. Record:		
Earned	$0.32	$0.21
Paid	0.10+.10	0.10+.05

The normal value of bullion produced was $3,546,903, while the total proceeds from bullion sales were $3,982,867 indicating exchange compensation amounting to $435,964 or equivalent to 12¼ per cent of the normal value of the bullion.

Production costs increased $1 per ton to $7.72 per ton from $6.72 the previous year. This cost included 62 cents per ton in 1932 for mine development which the company referred to as "undistributed, written off to surplus." In 1931, 67 cents per ton were written off development charges. General and administration charges as well as taxes showed a considerable increase. A new item appearing in the 1932 account was $33,111, for assessment for silicosis.

A more liberal policy was assumed in 1932 respecting depreciation when $176,303 was written off as compared with $64,831 in 1931. After 13 years as a producer during which time $1,883,365 has been invested in plant equipment, only $790,656 has been written off or 42 per cent of the investment. That this policy of depreciation is not adequate is demonstrated by the company now being engaged in rebuilding its mill along more modern lines, while more than half of the expenditure of former years still remains to be written off. The following is a tabulation of production costs for the past two years:

Costs per Ton of Ore

	1932 $	1931 $
Devel. & explor.	1.54	1.33
Mining	2.92	2.91
Milling	1.09	1.17
Taxes & marketing ..	.72	.43
Gen. adminis. exp. ..	.85	.64
Costs per ton	7.12	6.48
Depreciation	.60	.24
Total cost per ton ..	7.72	6.72

*Includes costs for ore developed in excess of milling requirements of 62 cents per ton in 1932 and 67 cents per ton in 1931.

At the property, which is under the direction of Maurice W. Summerhayes, as general manager, developments are fast adding to the ore reserves. The No. 4 shaft has just been completed to its present objective of 4,000 ft. where the North vein evidences its continuing high gold values.

The total development tonnage completed in 1932 was approximately the same as in 1931, with 493,954 tons of ore averaging $16 per ton developed as compared with 400,000 tons averaging $11.39 per ton in 1931. Of the 16,508 ft. of drifting done 48.6 per cent was in ore.

In commenting on the development, Mr. Summerhayes reported as follows:

"The outstanding feature of this year's development was the continuous character of the North vein ore body on the two lowest levels at 2,850 ft. and 3,000 ft. Approximately 1,500 ft. of ore on each of these levels has been opened up with the ore still to be developed at each end. The grade of ore on these levels and on this vein is over $20 per ton for the length so far opened up. Development on the 2,400 and 2,550 ft. levels is also eminently satisfactory. About 523 ft. of ore have been opened up between the 400 ft. and the 1,375 ft. levels, and 685 ft. have been developed between the 1,500 and 2,125 ft. levels while on the five lower levels, 6,811 ft. of ore have been opened up, of which 2,339 ft. are on the 2,850 ft. level and 1,606 ft. on the 3,000 ft. level.

"It may be remarked that there is prospectively good virgin territory on all levels above the 3,000 ft., which is the present lowest development level."

Ore reserves on Dec. 31, 1932, were valued at $12,888,042 from 951,939 tons having an average value of $13.54 per ton.

Production was maintained at the daily milling rate of approximately 800 tons, but plans are under way for increasing the capacity to 1,000 tons per day by fall. An improvement in the metallurgical practice is expected to increase the extraction when the mill rehabilitation and addition is completed.

The following tabulation gives a summary of production since inception of operations:

Year	Production Tons milled	Recovery per ton	Bullion recovered
1921*	36,081	$13.00	$468,665
1922	66,181	11.52	762,752
1923	79,242	9.52	754,978
1924	84,487	12.89	1,088,725
1925	147,939	12.93	1,913,401
1926	153,392	14.02	2,150,844
1927	209,164	10.51	2,151,916
1928	256,331	7.20	1,845,923
1929	188,238	9.25	1,741,872
1930	220,430	11.03	2,431,896
1931	266,352	10.93	2,912,308
1932	295,525	12.00	3,546,903
	2,003,362	$10.87	$21,770,183

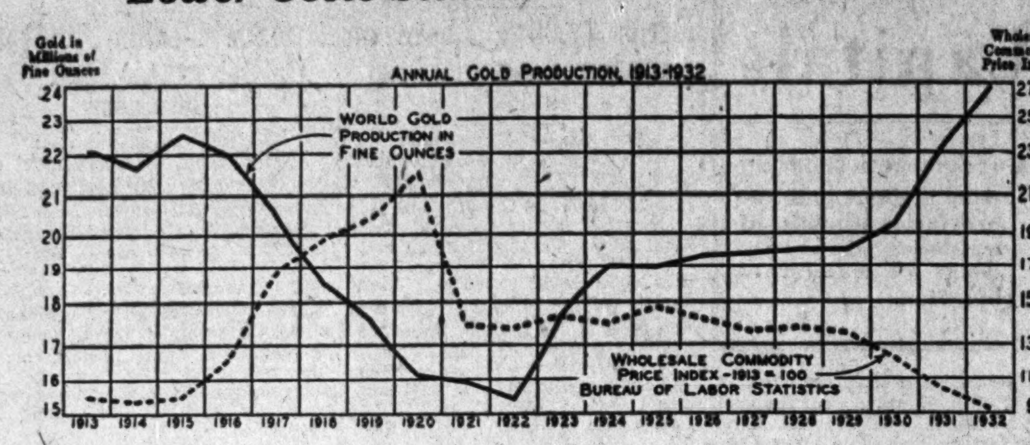
*8 months.

The balance sheet dated December 31, 1932, shows current assets totalling $2,654,782, including cash in bank of $1,913,327 and government and municipal bonds, shown at cost or $381,415.

Working Capital

	$	$
Current assets	2,654,782	2,150,597
Current liabilities ...	739,914	507,374
Working capital	1,914,868	1,643,223

The annual meeting of the company is called for February 28, at which time approval will be sought to change the fiscal year ending to August 31, and the annual meeting date to the second Wednesday in November.


Lower Costs Stimulate Gold Production

The above chart clearly shows how periods of rising costs affect the production of gold and conversely how periods of adversity stimulate gold production owing to production costs being lowered.

Leacock's New Dollar Utopia For Gold Mines

If the gold content of the Canadian dollar and of the United States dollars is reduced from 23 to 17 grains, as proposed by Stephen Leacock, Professor of Economics at McGill University, it would be a matter of the greatest importance to producers of gold. Instead of payment on the present basis of $20.67 per fine ounce, settlement would in case of such a change have to be made with producers at a rate exceeding $28 per fine ounce.

The immediate effect would be to stimulate the production of gold. One has only to reflect on the stimulus given to gold mining by the payment of exchange compensation, averaging nearly 15 per cent during the past year, to see that a still greater stimulus would be given if the value per ounce were raised to $28. Many marginal producers would become profitable gold producing enterprises. Millions of tons of low-grade ore would be made available for profitable treatment and a search for gold deposits would be undertaken far beyond the present unprecedented activity. The inevitable result would be added employment throughout the gold producing industry.

Resulting from this wild scramble for the production of gold would be a stimulated demand for mining supplies and machinery which would have its far-flung effect down through the various channels of industry. This would seem to promise a glorious Utopia for the gold miner, but the effect would eventually wear off. If prices would advance as Dr. Leacock says there would come a gradual increase in the cost of supplies and in the cost of winning gold. Machinery prices would advance and supplies and labor would have to advance to keep pace with the re-valuated currency. Higher production costs eventually would bring the industry on an even keel, with profits reasonable instead of extraordinarily high.

In the meantime, the stimulus would have the effect of enabling marginal producers of gold to get firmly established. It would enable mines with large reserves of low grade ore to open them up for development and to expand production facilities so that the gold could be economically recovered; the stimulated search for new mines should also bring in its quota of finds and new producers could get started under this stimulating effect. In the meantime mining men are not getting excited as they see international agreement would be hard to obtain.

GREAT BEAR LAKE PREPARING PLANS FOR 1933 SEASON

Stores, Radio and Post Office to Aid Next Season's Activities

Cameron Bay, Great Bear Lake, N.W.T., is taking on the aspects of a permanent camp. Recently a post office was established, which is served regularly by the air mail route and communication as well as transportation is to be improved this next season. Last year Canadian Airways located its private radio station at Cameron Bay and this next season is to have the Government radio station, formerly at Lindsley Bay, at Cameron Bay. Throughout the winter the new settlement has been continuously in contact with the outside through the facilities of the aeroplane transportation companies.

The new settlement already boasts of two stores. The pioneer merchandising establishment, Murphy Services, Ltd., houses the post office. It is estimated that the mining men, prospectors and camp followers remaining in the vicinity of Cameron Bay during the past winter numbered nearly 80 while preparations are being made for a large influx as soon as the days lengthen and climatic conditions improve.

At the property of the Eldorado Mines, the pioneer discovery of radium-silver ore in the area, mining operations are consistently under way, employing approximately 20 men. With the opening up of the summer season it is expected that aggressive exploration work will be conducted by a number of companies holding claims in the area. The B. E. A. R. group proposes developing its holdings and is flying in an Ingersoll-Rand portable plant to speed up its exploration work.

In a recent address before the Winnipeg branch of the Canadian Institute of Mining & Metallurgy, T. C. McNabb, construction engineer of the Canadian Pacific Railway, outlined the mineral resources already discovered in the vicinity of Great Bear Lake. At Fort Norman, near the mouth of the Bear River, some 250 miles west of Cameron Bay, the Imperial Oil has established a small refinery to treat the crude oil from its wells at this point which are providing a source of fuel and power for operations in the area. Coal has been found at two points at least on the shores of Great Bear Lake, while copper has long been known near the mouth of the Sloan River.

Julian Wanted By Oklahoma, Fraud Charged

C. C. Julian is in the limelight again. This time it is on account of a $5,000 posted reward by the United States District Attorney for his apprehension. He is wanted in Oklahoma City to face charges of mail fraud.

A few months ago The Financial Post chronicled his sojourn in Montreal, where he made his business headquarters with David Fingard of the Stock & Bond Guarantee Co.

The Montreal Better Business Bureau traced Julian's connection with Stock & Bond Guarantee Co. and found the lease for his office was signed by Fred Chapman, who was Julian's valet.

A report from the West says that Julian had the consideration to drop the Oklahoma authorities a line to the effect that he would not be among those present when his name was called.

CARIBOO DISTRICT IS STAGING BOOM IN SEARCH OF GOLD

Newmont Mining Corp. Takes Hand in Deal For Old Area

The entry of the Newmont Mining Corp., one of the largest mining organizations in the United States, into the Cariboo district of British Columbia, is tangible evidence that this famous old placer district is going to have a conclusive test for its lode gold possibilities.

The recently formed Cariboo Consolidated Gold Mines is being financed by the Newmont interests to explore properties acquired from the Reward Mining Co. Under the terms of the agreement the Reward Mining Co. receives one-twentieth interest in two groups of claims and $62,500 over a period of two years, of which $2,500 has been paid. One of the groups acquired consists of 12 claims on the west side of Proserpine Mountain, two-and-a-half miles from Barkerville and the other group of 13 claims on the west side of Jack-of-Clubs Lake on Island Mountain, adjoining the property of the Cariboo Gold Quartz Mining on the west.

Since the Newmont Mining Corp. acquired interest in the property, mining machinery has been taken to the site and a 2,000-ft. tunnel commenced into Island Mountain. Work is also under way on a tunnel at Prosperpine Mountain.

Cariboo Booming

Much publicity has recently been given to the revival of interest in gold mining in the Cariboo district, which has been pioneered by the Cariboo Gold Quartz Mining Co., where this month initial lode gold mining operations were started with a 100-ton mill. There has been a wide divergence of opinion by engineers as to the merits and possibilities of lode gold mining in the district and it is particularly significant that a mining organization of the magnitude and experience of the Newmont group should associate itself with the further exploration of this old area.

While much staking has taken place recently it has mostly been snow staking and until spring arrives very little surface prospecting can take place.

The British Columbia Department of Mines in past reports has been cautious in its statements regarding the ore potentialities and mine-making possibilities of the district, although recently a more optimistic view has been displayed.

FALCONBRIDGE EARNS $762,420 REPORT SHOWS

Expansion Programme Under Way Which Will Increase Capacity One Half

The fourth annual report of Falconbridge Nickel Mines, covering the fiscal year ended December 31, 1932, includes for the first time an income and surplus account, which indicates net profits of $762,420 or approximately 24 cents per share, on the 3,195,055 shares outstanding, after reserves for depreciation and deferred development of $251,958.

The following tabulation gives the consolidated income and surplus account for the company and its wholly owned refining subsidiary, Falconbridge Nikkelverk Aktieselkap, in Norway.

INCOME AND SURPLUS ACCOUNT
Year Ended Dec. 31, 1932

	$
Metal sales	2,990,540
Less: Selling, deliv. & exch. ..	202,623
Inventory decrease	553,473
Income from 1932 oper.	2,234,445
Less: Mng., smelt. & ref. exp. .	1,115,482
Adminis. expense	55,201
Operating profit	1,063,762
Non-oper. income	22,481
Gross profit	1,086,243
Less reserves:	
Taxes	71,864
Deferred devel.	40,436
Depreciation	211,522
Net profit	762,420
Less: Previous deficit	252,641
Incorp. exp. w/o	2,270
Comm. on shs. w/o	175,000
Surplus to balance sheet	332,509
Earnings per share	0.24

There is little to guide shareholders or enable them to compare income in 1932 with the previous years, but the metal sales as well as the decline in the value of the metal inventories indicate considerable success was met in liquidating previous production.

Three Years Operations

The year just ended marks the third year of production for the company and while this is the first income account to be presented and one that indicates satisfactory earnings, considering the adverse marketing period, a more complete picture of the company's profits is obtainable by viewing the three years' operations.

On October 31, 1929, before the present plants were completed, the working capital of the company was $2,266,556, while on December 31, 1932, it was $1,715,892, a decline, after three years' production, of $550,664. In analyzing the statement to see where the income from operations has gone, and the $550,664 taken from working capital, the probable outlet appears to be plant betterments. Since investments show appreciation, this money can only have been spent on plant and equipment. Plant improvements and betterments since October 31, 1929, are shown at $1,328,176. Adding the working capital as at December 31, 1932, shows assets of $3,044,068. By deducting the working capital as at October, 1929, it becomes apparent that actual operating profits during the three-year period were $777,512, or after deducting the company's figures for depreciation reserves or $538,151, a net profit of $239,361 is left.

The following tabulation is a production summary in tons, for past three years:

	1932	1931	1930
Ore mined	159,573	138,721	83,931
Ore smelt.	123,306	109,520	71,626
Matte made	4,947	4,363	2,630
Ni. cont. matte ...	2,908	2,569	1,515
Cu. cont. matte ...	1,196	1,035	656
Refined nickel	2,704	2,652	468
Refined copper ..	1,144	1,194	129

In 1932 a much more extensive programme of development, at the company's mine in the Sudbury area, is indicated by the development footage figures. Exploratory work was principally centred on the 350 and 500 foot levels, resulting in ore reserves being increased to 2,920,457 tons, averaging 2.25 per cent nickel and .93 per cent copper. This represents an increase in ore reserves of about 200,000 tons plus the ore smelted. In 1931 the restricted development work resulted in ore reserves being increased some 430,000 tons with the then average grade 2.31 per cent nickel and .94 per cent copper.

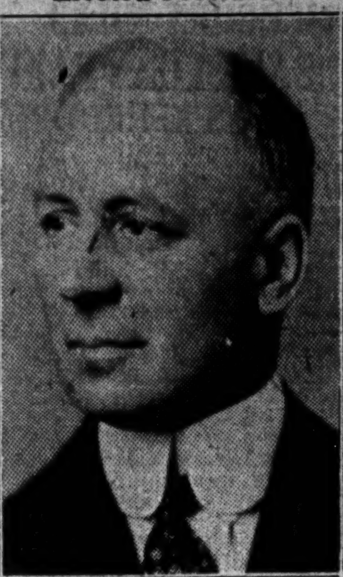
New Plant Additions

In September, 1932, directors authorized a plant expansion programme, which will provide for nearly 50 per cent increased facilities, in all departments. The refinery is to be increased to 4,200 metric tons annually. The furnace at the smelter has been lengthened from 10 to 15 feet and construction is under way on a 250-ton daily capacity concentrator, planned for completion in April.

In commenting on sales Mr. Hardy said that while production in 1932 was 5,408,373 pounds of nickel, sales were 7,844,648 pounds. The plant expansion under construction was required not only to give flexibility to operations but to take care of the trade.

Precious metals were recovered for the first time in 1932 to the extent of $52,700. The copper was sold practically as produced, principally in Scandinavia.

Elected President



Dr. OLIVIER LEFEBVRE, B.A.Sc.
Who was elected president of the Engineering Institute of Canada at the annual meeting held recently in Ottawa. Mr. Lefebvre is chief engineer of the Quebec Streams Commission, Montreal.

ONTARIO'S GOLD IN 1932 VALUED AT $42,737,000

Kirkland Lake Camp Continues to Lead Porcupine

The following table, prepared by the Ontario Department of Mines, shows the details of production by the gold mines of Ontario in 1932. For comparative purposes, corresponding figures by fields are given for 1931. Recovery of gold from nickel-copper refining will raise the total for 1932 to about $47,250,000.

1932	Tons Milled	Total Value $
Porcupine:		
Buffalo-Anker	55,267	219,482
Coniaurum	144,654	861,031
Dome	536,450	4,040,318
Hollinger	1,754,863	10,356,846
March	26,812	71,901
McIntyre	723,285	5,424,728
Munro-Croesus	650	5,721
Vipond	107,197	454,412
Misc.	2,295	3,170
Total	3,351,473	21,437,609
Kirkland Lake:		
Ashley	6,805	61,290
Barry-Hollinger	34,977	160,697
K. L. Gold	56,492	524,329
Lake Shore	818,698	12,647,128
Sylvanite	96,891	828,195
Teck-Hughes	475,700	5,855,570
Toburn	14,873	206,244
Wright-Hargreaves ..	295,525	3,548,161
Total	1,799,961	23,831,614
N. W. Ontario:		
Howey	329,249	1,120,670
Kenora Prosp.	47	3,888
Minto	18,765	163,518
Moss	25,363	173,908
New Goudreau	117	413
Parkhill	16,822	146,798
Schreiber Gold	123	12,882
Total	390,486	1,622,067
Grand Total	5,541,920	46,891,290
1931		
Porcupine	3,091,946	19,941,703
Kirkland Lake	1,703,630	21,783,162
N. W. Ontario	230,149	1,012,411
Total Gold Mines ...	5,[illegible]25,725	42,737,276

HARGAL OIL REPORTS DEFICIT OF $8,776

Production Greatly Curtailed —Working Capital $47,066

Annual report of Hargal Oils for the year ended December 31, 1932, shows a net loss of $8,776 as compared with a net loss of $6,117 in the previous year, reflecting the curtailed production of crude naphtha from the company's Turner Valley well due largely to the gas conservation policy in force in this field.

Naphtha sales amounted to $2,452 as compared with $8,131 in the previous year. Field operating expenses amounted to $1,860 including taxes and royalties as compared with $4,142 in 1931. Miscellaneous income amounted to $2,306, while administration expenses amounted to $6,186. Reserves for depreciation and depletion totalled $2,590 leaving a net deficit of $8,776.

The balance sheet showed the company in a fair liquid position with current assets totalling $47,328. In addition, the company holds six per cent bonds on the Stock Exchange Building at Vancouver, which cost $11,880. Current liabilities total $262, leaving a net working capital of $47,066 in addition to the company's investment interests.

In the report shareholders are advised that in August, 1932, arrangements were made with the Imperial Oil Co. to resume production from the Turner Valley well, which had been suspended since the previous year. Production since that time has been continuous under the reduced production schedule of the Gas Conservation Board.

In view of the activity in gold mining in the Bridge River and Cariboo districts of British Columbia, officials of the company have applied for supplementary letters patent enabling them to enter mining whenever a suitable proposition is submitted.

Siscoe Gold Mines Tunes Up New Units

Siscoe Gold Mines is tuning up its new mill addition which will increase its milling capacity from approximately 175 tons daily to 225 tons. A new cyanide mill is being added to the circuit, which will be brought into operation about the middle of March and while the capacity proposed rate is about 225 tons a day, it is understood that the equipment when finally tuned up will be close to 300 tons daily.

The action brought by W. R. Baillie against Siscoe Gold Mines was dismissed by Chief Justice Greenshields, of the Superior Court of Quebec, on February 9. The action was for a cash commission and Siscoe shares, promised by E. E. Siscoe, for influencing C. M. Coyle in purchasing 500,000 shares of the company's stock. Baillie finally accepted $7,500 in cash and 10,000 Siscoe shares, selling the latter. The present action was for 65,000 shares which he claimed he was entitled to under the original terms.

Court Stays Claims Sale Woodbine Gold Mining Co.

The affairs of Woodbine Gold Mining Co. are again in the limelight. Leave was granted on January 31, in the Supreme Court of British Columbia, by Mr. Justice Fisher, to G. R. Jamieson, to commence action for the return of the company's property. The mining firm is in bankruptcy with W. H. Brett, of Vancouver, as trustee who has been restrained by Mr. Justice Fisher's order from selling or disposing of the company's claims and chattels. It was stated that the trustee advertised the assets for sale on January 31, but the injunction granted stayed bankruptcy proceedings for a further four weeks.

ELDORADO REPORT SHOWS BUSY YEAR RADIUM OUT SOON

Finances Strong Despite Heavy Expenses at Mine and Plant

The sixth annual report of Eldorado Gold Mines, covering the fiscal year ended December 31, 1932, chronicles a transition period in which the company has emerged from a prospecting enterprise to the pioneer silver producer in the Great Bear Lake area. It has also commenced refining operations that are to give Canada its first commercial radium.

During the year under review a party of 20 men was maintained at LaBine Point, Great Bear Lake, where a Diesel engine driven mining plant was installed last September. Since that time development work has been concentrated on driving a crosscut into the hillside to intersect the No. 2 vein at a depth of about 100 ft. below the surface exploration. The crosscut reached the vein 377 ft. in from the portal, where 21 ft. of ore were encountered, showing improvement over the surface. Drifting on this vein is now in progress and development is continuing despite temperatures of 65 below zero.

Staked More Claims

During the year surveys were completed of 51 claims at LaBine Point and of 27 claims of the Bonanza group some six miles south. The company also staked a group of claims in the Camsell River area about 30 miles south of LaBine Point.

In his report to directors, Chas. LaBine, president of the company, says it is quite probable that in the near future a concentrator will be sent to Great Bear Lake to deal with the silver ore.

Last year 21,279 lbs. of silver ore were shipped to the Trail, B.C., smelter showing an average silver content of 3,623 ounces per ton. In addition 36 tons of pitchblende were shipped to the company's refinery at Port Hope, which with 17 tons shipped in 1931, make 53 tons of pitchblende received altogether. This production of silver ore and 30 tons of the pitchblende came from the No. 2 vein. About six tons of pitchblende come from the No. 1 vein.

During the year a plant acquired at Port Hope, Ontario, was renovated and made suitable for refining radium under the supervision of M. L. Pochon, chief chemist. Radium ore is now in process and it is expected that radium and its by-products will shortly be available.

Although the company had a busy year in the development of its properties and heavy expenditures to meet in the equipping of its plants for production and refining facilities, the profits from the sale of investments, sale of outlying claims and receipts from some 60,000 shares of treasury stock under purchase agreement, enabled the company to close its year with its liquid position down only about $30,000 from that of the year previous.

Working Capital
As at December 31

	1932 $	1931 $
Current assets	211,298	365,455
Current liabilities ...	14,802	46,828
Working capital	196,496	318,627

The annual meeting of the company is called for March 7, in Toronto.

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Granada Gold Mines Plans Extensive Work

Granada Gold Mines has announced that its newly appointed consulting engineer, A. F. Keene, has just completed an examination of the property and has presented his report to the directors recommending an extensive exploration programme.

In compliance with these recommendations directors have authorized an immediate expenditure for various equipment to take care not only of current mining operations and current development, but also to increase the rate of same. An exploration programme calling for 12,000 ft. of underground work and about 12,000 ft. of diamond drilling has been approved for completion in the next twelve months.

The exploration programme is to be directed particularly to the east as well as to the north of the large porphyry boss. Sinking the winze below the 12th level is also planned.

Ontario Gold Output $3,505,198 in January

Preliminary gold production reports by the Ontario Department of Mines show January production valued at $3,505,198 of which $1,615,355 came from the Porcupine camp, $1,770,131 from the Kirkland Lake camp and $119,712 from Northwestern Ontario.

The mines in order of output for January were as follows: Lake Shore, Hollinger, McIntyre, Teck-Hughes, Dome, Wright-Hargreaves, Howey, Coniaurum, Sylvanite, Toburn, Kirkland Lake Gold, Vipond, Buffalo-Ankerite, Moss, Ashley, Barry-Hollinger, Minto and Parkhill.

East Geduld Earnings £68,191 in January

Gold production by East Geduld Mines, in which Dome Mines has a share interest, amounted to 21,456 fine ounces in January, with a total value of £128,751. Net profits for January were £68,191 as compared with £31,032 in December. The increase is said to be due to the increased earnings through South Africa going off the Gold Standard.

Dividend Yields
on Canadian Gold Stocks
Several Canadian Gold Mines continue to offer substantial yields on the investment at present prices. In view of increased production and earnings, and the possibility of increased dividends, shares in these companies are still attractive.
Suggestions on request.
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Index to Mining Stocks

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 77.2 for the week ending February 16, as compared with 77.9 for the previous week.

Eleven gold stocks fell from 77.5 to 76.8, four gold-copper stocks from 86.9 to 86.5 and five silver and miscellaneous stocks from 29.7 to 28.5.

Peat Made Into Wallboard

Samples of peat secured close to Port Arthur have been tested at Edmonton and have been found to make good wallboard. It is believed that this peat might form the basis of an industry at the lakehead, particularly in view of its ready accessibility.

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Economic Review and Market Survey
Retail Merchandising in Canada
Capital Movements in 1932
Manufacturing in Canada
Mining in Canada
Agriculture
Fisheries
Branch Plants in Canada
Tourist Trade
Building and Construction
Water Power and Electric Output
Empire and Foreign Trade
Transportation and Communications
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